

# EARNINGS RELEASE

## 4Q22



### Earnings Call Presentation

March 1st, 2023 (Wednesday)

Portuguese (with simultaneous translation to English)

9 am (EST – NY) | 11 am (BRT)

[ri.hapvida.com.br/en](http://ri.hapvida.com.br/en)

# Message from Management

Even in the face of a still challenging global and domestic scenario and in the midst of yet another period marked by the pandemic, Grupo Hapvida NotreDame Intermédica was able to demonstrate its commitment to a sustainable and resilient business model in 2022. The effort and dedication of our employees and service providers led to an improvement in all of the Company's operating and financial indicators compared to the previous period.

We ended the year with approximately 9 million beneficiaries in health plans and 7 million in dental plans. Net additions in the quarter amounted to 103 thousand health beneficiaries and 53 thousand beneficiaries in dental plans. The average ticket showed a growth trajectory after being practically stable for almost 2 years. Our consolidated net revenues reached R\$6.5 billion in the fourth quarter, an increase of 10.9% compared to the pro forma amount of the same period of the previous year. Our main operating indicator, the consolidated cash medical loss ratio, was 72.9% in the quarter, an improvement of 0.1 p.p. in relation to the previous quarter, still impacted by higher frequencies of utilization, unfavorable seasonality, in addition to higher medical loss ratio levels in the newly acquired companies. With proper management of selling and administrative expenses, we reached ratios of 8.1% and 8.3%, respectively, in the quarter. Thus, adjusted EBITDA reached R\$598.7 million in the quarter, including a positive impact of R\$87.2 million related to a price adjustment of one of the acquisitions. Adjusted EBITDA for the year totaled R\$2.5 billion, with an EBITDA margin of 10.1% versus a combined pro forma for the same period of the previous year of 9.6%.

The Company remains committed to optimizing its own care network through the continuous verticalization of our operations and to the qualification and modernization of our own care facilities. During the quarter, we inaugurated 3 medical clinics and 3 diagnostic units, totaling 761 medical-hospital units spread across Brazil. Among the new units, we highlight our first Advanced Unit in Betim/MG, which serves beneficiaries of both operators, Hapvida and NotreDame Intermédica. We also inaugurated the Hospital Brasiliense in Brasília/DF and the Hospital Mandacarú in Recife/PE.

We continued to execute our inorganic expansion plan and announced the acquisition of Sistemas Saúde, a health plan operator with around 77,000 beneficiaries located, mostly, in São Paulo/SP. This is yet another strategic acquisition that, when completed, will further strengthen our presence in SP, consolidating our growth through a vertically integrated platform and reinforcing our commitment to creating value for our shareholders. Completion of this transaction is subject to certain conditions precedent including regulatory approvals.

The last stage of the integration of the companies historically acquired by Hapvida in Belo Horizonte/MG was completed on December 1, 2022, with the conclusion of the incorporation of the operators' legal entities and care units belonging to Promed and Premium. With the completion of these integrations, we continue to work on intelligent and efficient cost management and on preparing these assets to become major regional platforms for organic growth.

We also made progress on the integration agenda associated with the business combination between Hapvida and NotreDame Intermédica. Upon completing one year of the closing of the operation, several achievements were delivered, with hundreds of initiatives and action plans in execution. Some ongoing initiatives:

## REVENUE SYNERGIES

- **National Solution:** Unified sales process for brokers through a single portal for quotes in excess of 3,000 lives nationwide. This process contributed to gross sales of 34 thousand lives in 4Q22 and 103 thousand lives in the accumulated period.
- **Individual/Family Plans:** we started selling products aimed at individuals (individual and family plans) in different age groups, in regions where these plans were not sold by NDI, with a gross sales performance of 27 thousand lives in the quarter and 80 thousand lives in the accumulated period.

# Message from Management

- **Integrated Plan:** Our Integrated Plan, launched in December/22, is the product that offers the best for companies with more than 100 lives. The plan is accepted in 20 states and the Federal District and is yet another front for capturing synergies using the best of the combined company's infrastructure.

- **Commercial:** In our overlapping markets, we unified commercial efforts by creating sales cells and unified product portfolios, generating greater efficiency and enhancing the company's commercial strategy.

## **COSTS SYNERGIES**

- **Supplies:** In the process of renegotiating contracts and service providers, the supply team moved on to evaluate the best service delivery models, generating scope renegotiation opportunities and increases in synergies to be captured.

- **Network sharing:** The operational teams are implementing a solution for sharing agendas of elective consultations between beneficiaries of Hapvida and NDI products. This hybrid service model was implemented in units in the metropolitan region of BH and Brasília, and from this first quarter onwards, we started expanding it to other units.

- **Regulation:** A network regulation cell was created to serve the three different regional operations. The objective is to guarantee the implementation of the most suitable protocols and to carry out better control of the own network.

## **G&A SYNERGIES**

- **Third-party services:** The equalization of contractual parameters for service providers has already been substantially completed.

- **Administrative structure:** We started 2023 with the alignment of our teams. All vice-presidencies and directors were unified, another step in accelerating the integration process.

2022 was also an year of awards. We were chosen as one of the 10 corporations (Health Services in Latin America category) that promote open innovation with startups the most by the 2022 Open Corps Ranking of 100 Open Startups, in line with our Innovation pillar. We were also recognized for our communication with the market by Institutional Investor 2022, the largest and most respected capital market ranking in the world, occupying 1st place in 7 of the 8 possible categories. And our CEO Jorge Pinheiro received, in Fortaleza, the National IBEF Award, promoted by the Brazilian Institute of Finance Executives (IBEF), which chooses the name representing the most admired CEO in the country.

In May and October, we announced two fundraising operations in the Brazilian capital market - one issue of debentures and the other of real estate receivables certificates (CRI) in the amount of R\$2.0 billion and R\$1.0 billion, respectively. Both issuances obtained the maximum investment grade (AAA) from the risk rating agency Fitch Ratings, confirming the solidity of Hapvida's. The proceeds from these operations are being used to optimize the Company's consolidated debt profile along with the ongoing expansion strategy.

We are prepared for a 2023 of balanced growth, strengthening of our operations and continuous recovery of our margins, always seeking to fulfill our main objective – which is to offer quality and affordable healthcare to all Brazilians. We appreciate the contribution of our employees, physicians, dentists, brokers, suppliers and the confidence of the Board of Directors, shareholders and, above all, our beneficiaries.

**Jorge Pinheiro**  
**CEO**

# Summary

## 1. INTEGRATION AND REPORTING CRITERIA

With the completion of the business combination with Notre Dame Intermédica Participações S.A. (NDI) on February 11, 2022, NDI was consolidated in the month of February/22 and became part of the consolidated interim financial statements of Hapvida Participações e Investimentos S.A. in that same month.

Therefore, Hapvida's consolidated financial statements ended on December 31, 2022 include eleven months of NDI's operations. The comparative period (2021) considers only the accounting data disclosed at the time, that is, only Hapvida's data. The same is true for the numbers referring to the 4th quarter of 2022.

Aiming at the best disclosure practices, we will present in this release some segregated operating and financial data. Thus, the results will be presented as: Hapvida (Hapvida ex-NDI), NDI and Consolidated.

## 2. HIGHLIGHTS

	Hapvida			NDI	Consolidated		
FINANCIAL HIGHLIGHTS (R\$ million)	4Q22	4Q21	Var. %	4Q22	4Q22	4Q21	Var. %
Net Revenues	2,690.7	2,598.9	3.5%	3,811.8	6,502.5	2,598.9	150.2%
Medical Costs – Cash	1,795.5	1,685.6	6.5%	2,947.8	4,743.3	1,685.6	181.4%
Total Medical Costs	1,954.6	1,745.4	12.0%	3,042.6	4,997.3	1,745.4	186.3%
Commercial Expenses	259.0	219.1	18.2%	264.8	523.9	219.1	139.1%
Administrative Expenses <sup>1</sup>	188.3	292.7	(35.7%)	348.8	537.1	292.7	83.5%
EBITDA	342.3	388.4	(11.9%)	186.6	528.9	388.4	36.2%
Adjusted EBITDA <sup>2</sup>	382.0	393.9	(3.0%)	216.7	598.7	393.9	52.0%
Net Income (loss)					(316.7)	200.2	(258.2%)
Adjusted Net Income <sup>3</sup>					161.4	367.4	(56.1%)

	Hapvida			NDI	Consolidated		
CONSOLIDATED RATIOS (% ROL)	4Q22	4Q21	Var. %	4Q22	4Q22	4Q21	Var. %
Cash MLR	66.7%	64.9%	1.8 p.p.	77.3%	72.9%	64.9%	8.1 p.p.
Total MLR	72.6%	67.2%	5.4 p.p.	79.8%	76.9%	67.2%	9.7 p.p.
Commercial Expenses	9.6%	8.4%	1.2 p.p.	6.9%	8.1%	8.4%	-0.4 p.p.
Administrative Expenses <sup>1</sup>	7.0%	11.3%	-4.3 p.p.	9.2%	8.3%	11.3%	-3.0 p.p.
EBITDA Margin	12.7%	14.9%	-2.2 p.p.	4.9%	8.1%	14.9%	-6.8 p.p.
Adjusted EBITDA Margin <sup>2</sup>	14.2%	15.2%	-1.0 p.p.	5.7%	9.2%	15.2%	-6.0 p.p.
Net Income Margin					-4.9%	7.7%	-12.6 p.p.
Adjusted Net Income Margin <sup>3</sup>					2.5%	14.1%	-11.7 p.p.

	Hapvida			NDI	Consolidated		
OPERATING HIGHLIGHTS	4Q22	4Q21	Var. %	4Q22	4Q22	4Q21	Var. %
Members Health and Dental (EOP, thousands)	7,816	7,535	3.7%	8,256	16,072	7,535	113.3%
Members Health	4,305	4,278	0.6%	4,833	9,138	4,278	113.6%
Members Dental	3,511	3,257	7.8%	3,423	6,934	3,257	112.9%
Members Health and Dental (Average, thousands)	7,720	7,493	3.0%	8,181	15,938	7,493	112.7%
Members Health	4,270	4,190	1.9%	4,764	9,039	4,190	115.7%
Members Dental	3,450	3,303	4.5%	3,417	6,898	3,303	108.9%
Proprietary service network	498	481	3.5%	263	761	481	58.2%
Hospitals	50	49	2.0%	37	87	49	77.6%
Emergency Units	48	49	(2.0%)	27	75	49	53.1%
Clinics	212	205	3.4%	116	328	205	60.0%
Diagnostics	188	178	5.6%	83	271	178	52.2%

The SOP amounts are accounted for and recorded at Hapvida Participações. For managerial presentation purposes, the amounts are prorated proportionally to Hapvida and NDI.

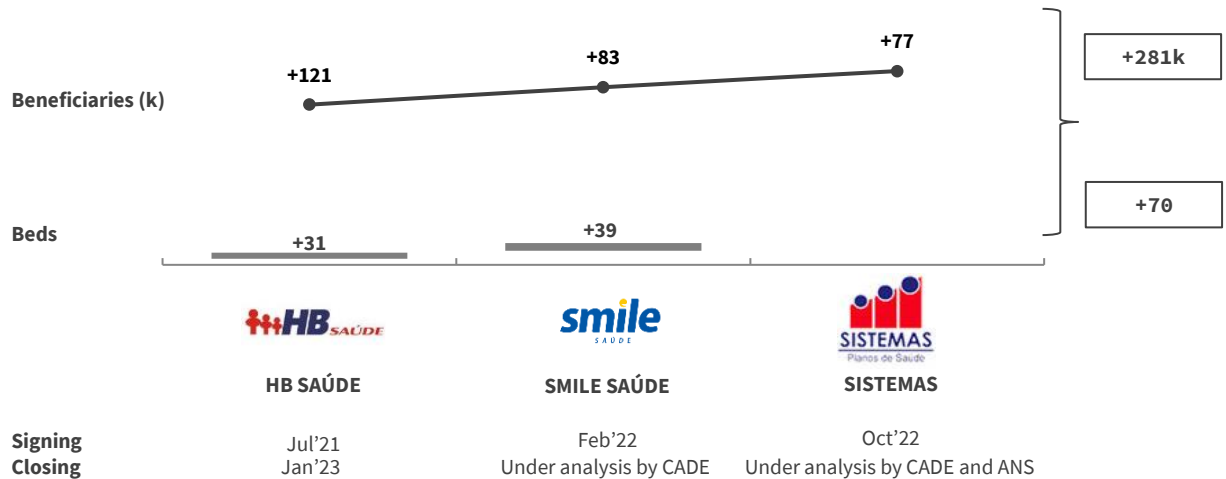
<sup>1</sup> Excluding depreciation and amortization, LTIP Expenses and Share-Based Compensation (SOP);

<sup>2</sup> Excluding LTIP and SOP expenses; and

<sup>3</sup> Excluding the effects of LTIP and SOP and amortization of Brands, Patents and Customer Portfolio.

# Acquisitions / ESG

## 3.1 ACQUISITIONS



## 3.2 ESG

The Salvalus Hospital of the Hapvida NotreDame Intermédica Group received LEED (Leadership in Energy and Environmental Design) V4.1 O+M:EB Gold level certification, the first in Brazil to receive such a certification. This category of certification offers existing buildings the opportunity to identify improvements and approach international performance indicators involving items such as water and energy consumption, waste generation, availability of alternative transportation, and user comfort.

At our Salvalus Hospital, a garden therapy project was developed to provide a therapeutic moment for long-stay patients. The fertilizer used in the garden comes from the composting process of organic waste from the Hospital itself. Besides this, the inputs are directed to the consumption of the employees and patients.

Throughout the quarter we continued the ongoing training program aimed at professionals in the technology area, developing them in agile methodologies and improving the skills required to work in the area. The program also extends to students in higher education institutions, building a bridge between the academic environment and the corporate world in order to train IT professionals for the company and also contributing to the community.

In partnership with Oracle, we have concluded the pilot project of training in Technology for People with Disabilities in the IT market, and now we are opening a new class encompassing minority groups from all over Brazil, and we have more than 3000 registered in the selection process.

We finalized the elaboration and launched (approved by the Board of Directors) our Diversity, Equity and Inclusion Policy for the combined company, which was published in our Investor Relations website. In this sense, we are offering face-to-face and online courses in libras, so that users of this language feel included in our Company.

In addition, we received an important recognition with the Racial Seal of Bahia as a company that includes and works affirmative actions for Black People (Black and Brown) and we are doing a strong racial work internally with the participation of our professionals on black awareness through a video with their stories.

In 4Q22 we started the project to standardize the representation of the Combined Company with: (i) the mapping and definition of jurisdictions, powers and single proxies; (ii) the implementation of document governance with the publication of an internal manual and the definition of a hierarchy of norms aligned to Management; (iii) review and approval of corporate policies, especially those related to the ASG theme, (iv) preparation and approval of work plans and the annual calendar of meetings of the Governance Bodies for the year 2023.

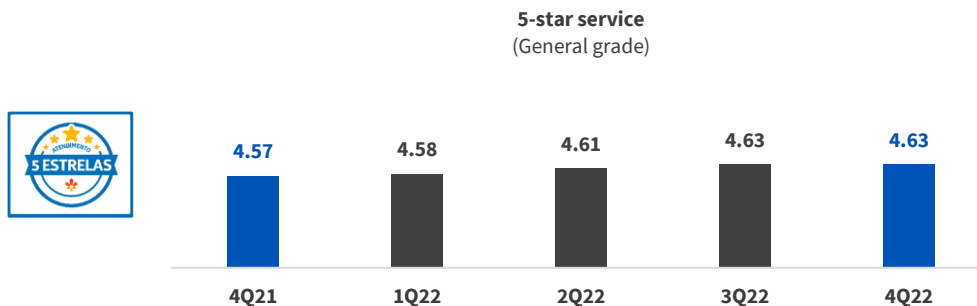
From a data management point-of-view, the group continues with the actions of the project to unify the processes of the Privacy and Data Protection area, as well as the awareness and training actions of the Privacy Champions Program, which includes carrying out the homologation of the Privacy Policies and parameterization of the privacy management system, OneTrust.

# Quality of Care

## 4.1 QUALITY OF CARE

### 5-STAR SERVICE

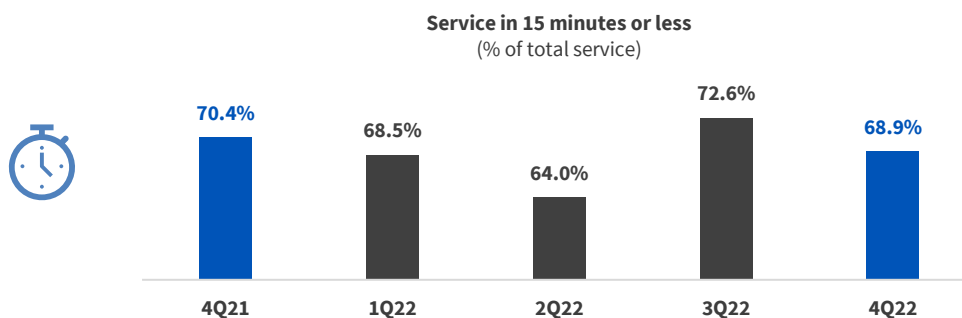
The 5-star service, implemented in 2019, is an instant satisfaction survey with ratings between 1 and 5 stars carried out by our customers after each eligible service. This program is a valuable tool for the entire Company, because with it we can see opportunities for improvement and recognize the best performance in serving our customers. Our hospitals, clinics, diagnostic units, emergency services, laboratory collection points, dentistry services, preventive medicine units, telemedicine and the wellness and well-being promotion programs (such as Nascir Bem, Viver Bem and Family Doctor) programs are evaluated. Throughout the program's existence, we have received more than 13 million evaluations. In the fourth quarter of 2022 alone, more than 1.7 million evaluations were received. The overall average for the month of December 2022, based on 550,000 evaluations, was 4.63, the highest rating in the Company's history.



5-Star Service indicator refers to the operations of Hapvida and its acquired companies América, RN Saúde, São Francisco Group, São José Group and Medical.

### WAITING TIME FOR URGENT/EMERGENCY CARE

Hapvida has a tech platform with a system that allows us to monitor all our units in real time 24x7. This system, along with video cameras present in all units, allows the Company's Observation and Control Center to monitor the service and waiting times in all walk-in emergency centers. If the waiting time exceeds 15 minutes, the system signals the Control Center to take immediate actions to speed up the operation. In 4Q22, 68.9% of the 1.8 million urgent and emergency service carried out in our hospitals and walk-in emergency units occurred within 15 minutes of patient check-in.



As of 3Q21, the companies included in the indicator are RN Saúde, São Francisco, São José and Medical.

### CERTIFICATIONS

The Company is enrolled in several certification programs, such as:

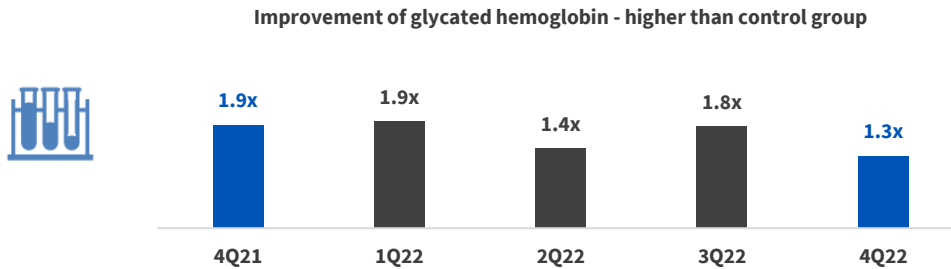
- ONA: 17 hospitals, 12 clinical centers and the Ghelfond imaging center
- Qualitotal: 21 hospitals and 1 clinical analysis technical center
- Qmentum: 1 hospital and 1 center for preventive medicine
- Joint Commission: 1 hospital



## 4.2 PREVENTIVE MEDICINE PROGRAMS

### VIVER BEM

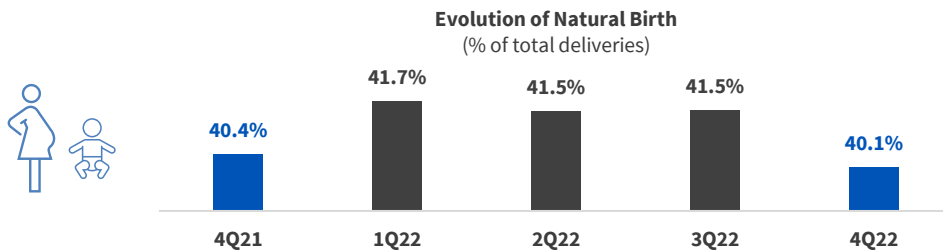
Viver Bem is a wellness program for Hapvida's beneficiaries that aims to reduce diabetes complications. We use our own algorithm to identify patients with alterations in the blood tests that indicate that they have or may have type 2 diabetes mellitus. The contact with the patient is carried out by a trained professional from our exclusive call center for the wellness programs. Available in Fortaleza, Recife, Salvador, Goiânia and Manaus, it comprises doctors, nursing technicians and nutritionists specialized in the treatment of people with diabetes and aims to encourage a change in the people's lifestyle. The success of the program is measured by the improvement in glycated hemoglobin of the group of patients followed when compared to the control group (patients not followed up). At the end of the 4th quarter of 2022, around 23,000 beneficiaries were part of the program.



The Viver Bem indicator refers to the operations of Hapvida and acquired companies America, RN Saúde, São Francisco, São José and Medical.

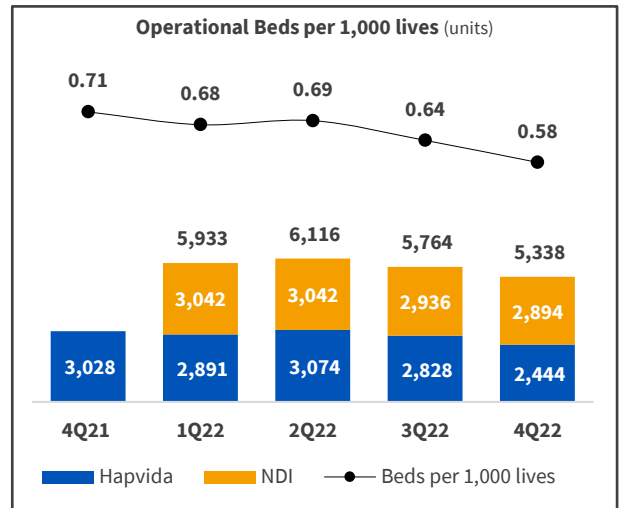
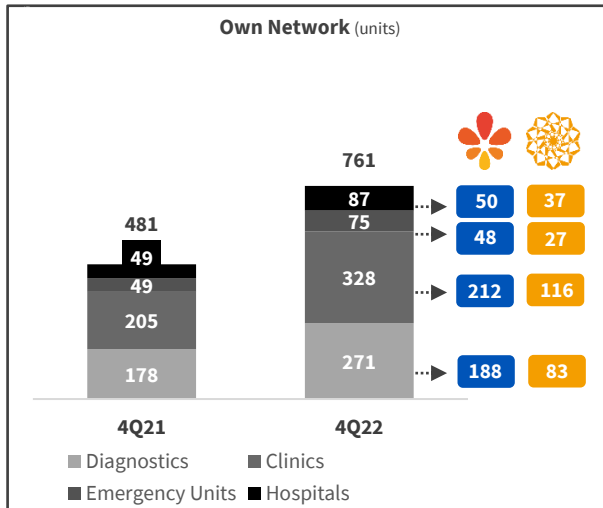
### NASCR BEM

Nascer Bem is a pioneering program in the private health system that promotes the monitoring of pregnant women throughout their pregnancies, through multidisciplinary teams, all the support, security and guidance necessary for this very special moment for the whole family. Currently, the program monitors 17,000 pregnant women per month, having performed 20,600 deliveries this quarter, in the capitals: Recife, Fortaleza, Belém, Salvador, Manaus, and Goiânia. Out of the total in 4Q22, 40.1% were natural birth deliveries.



Nascer Bem indicator refers to the operations of Hapvida and its acquired companies América, RN Saúde, São Francisco Group, São José Group and Medical in the cities specified above.

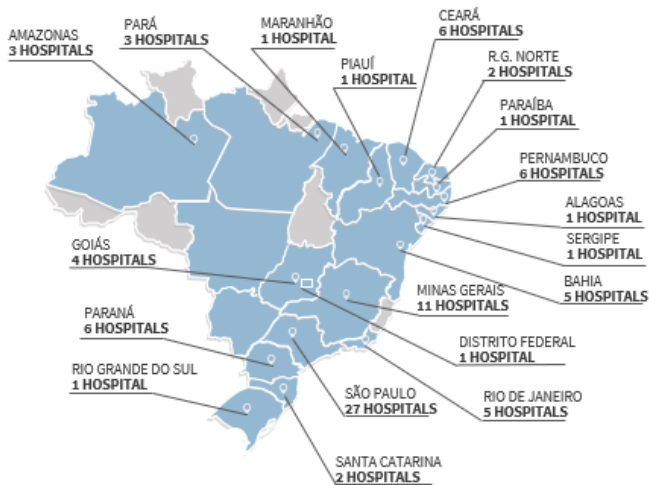
## 5. PROPRIETARY CARE NETWORK



During the quarter, we opened 6 new units:

- 3 clinics (MG)
- 3 diagnostics (MG and SP)

Ending the period with 87 hospitals, 75 emergency care units, 328 clinics and 271 diagnostic imaging and laboratory collection units, thus totaling 761 own service points, accessible to our beneficiaries, in all five regions of Brazil.



New Clinical Center – Barra Funda – São Paulo/SP



# Operational Data

## 6. BENEFICIARIES

### 6.1 Health

The number of beneficiaries of **Hapvida's** health plans at the end of the quarter presented growth of **0.6%** compared to the same period last year and an increase of **0.4%** compared to 3Q22.

#### Main movements in relation to 4Q21:

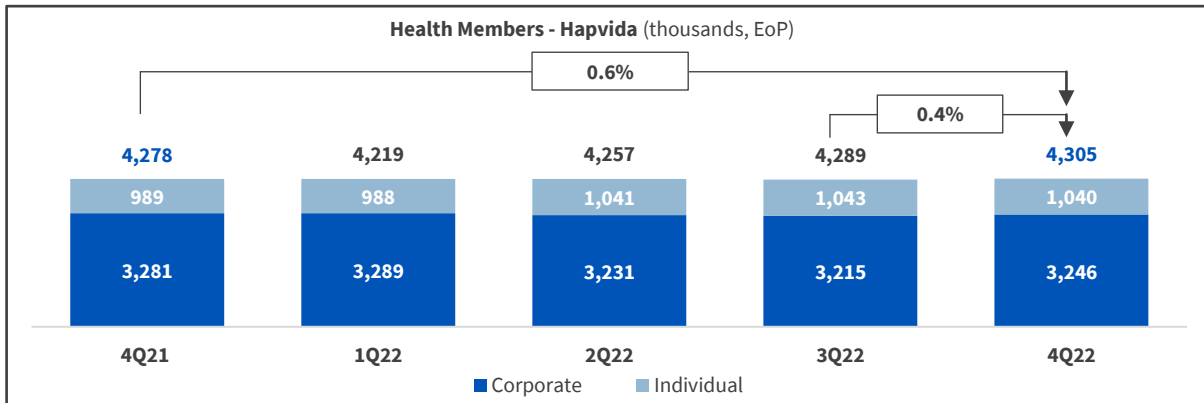
(+27 thousand lives distributed as follows):

- (i) +51 thousand lives in individual plans; and
- (ii) -24 mil thousand lives in group plans.

#### Main movements in relation to 3Q22:

(+16 thousand lives distributed as follows):

- (i) -3 thousand lives in individual plans; and
- (ii) +19 thousand lives in group plans.

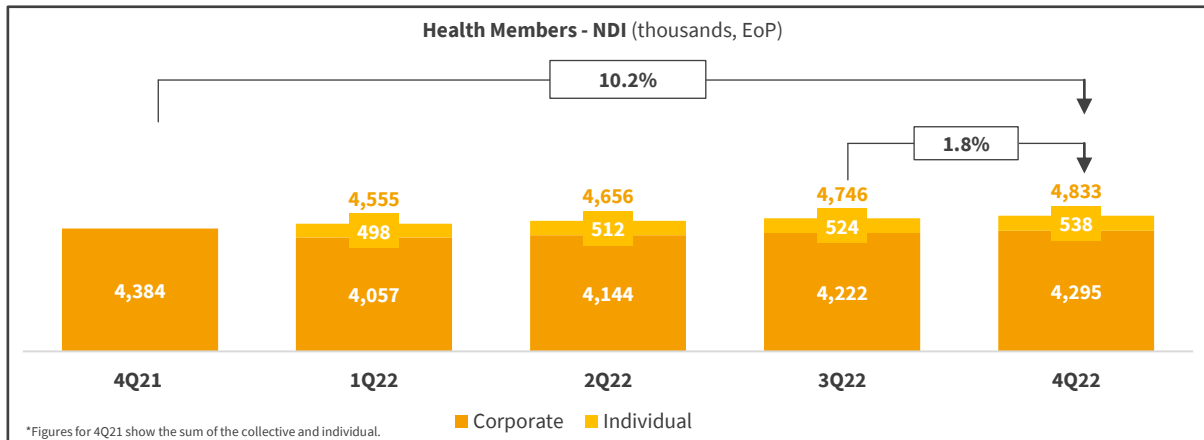


The number of **NDI's** health plan beneficiaries at the end of the quarter grew by **1.8%** compared to 3Q22.

#### Main movements in relation to 3Q22:

(+87 thousand lives distributed as follows):

- (i) +14 thousand lives in individual plans; and
- (ii) +73 thousand lives in group plans.



## 6. BENEFICIARIES (continued)

### 6.1 Health - Consolidated

The number of beneficiaries of health plans consolidated at the end of the quarter grew **113.6%** compared to **4Q21**, influenced by:

By merger/acquisitions (M&A), **in relation to 4Q21**:

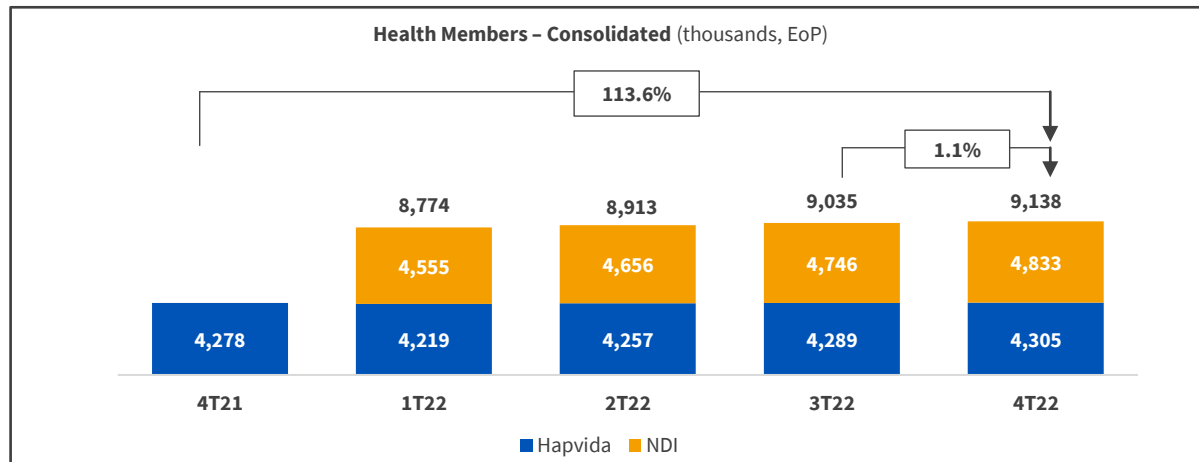
(i) **+4,833 lives of NDI** (+538k in individual plans and +4,315k in group plans)

Main movements **in relation to 3Q22**:

(i) **+103 thousand** lives distributed as follows:

(i) + 17 thousand lives in individual plans; and

(ii) + 86 thousand lives in group plans.



As for the growth of lives in 4Q22, organic additions totaled 503 thousand lives, cancellations totaled 403 thousand lives and turnover was positive by 4 thousand beneficiaries, representing net organic growth of 103 thousand lives. Three acquisitions already announced, HB Saúde (started in January/23), Smile Saúde and Sistemas (the latter two are still waiting for regulatory approvals), total 281 thousand beneficiaries.

#### **Hapvida:**

(i) +251k lives of gross sales;

(ii) -240k lives cancelled (131k corporate, 25k SME, 9k Affinity and 75k individual); and

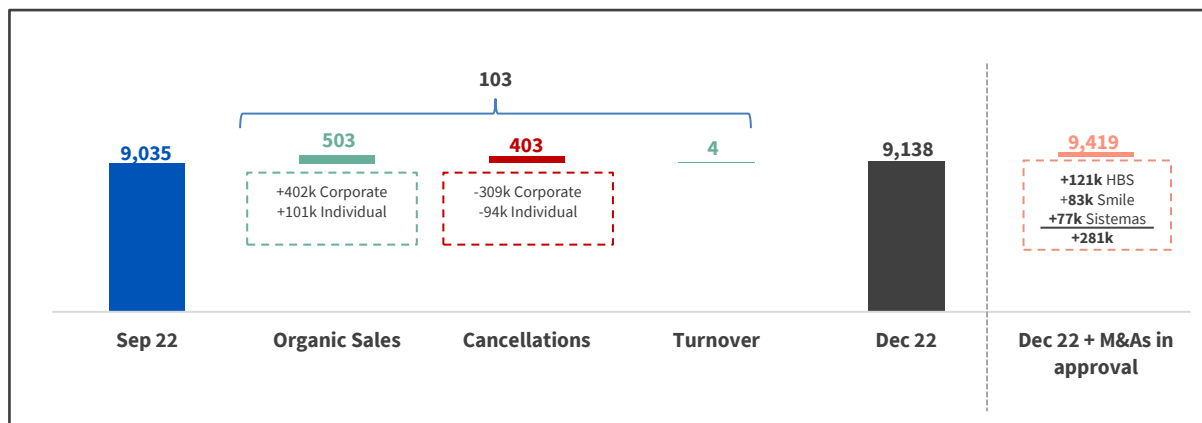
(iii) +6k lives of positive turnover.

#### **NDI:**

(i) +252k lives of gross sales;

(ii) -163k lives cancelled (54k corporate, 68k SME, 22k Affinity e 19k individual); and

(iii) -2k lives of negative turnover.



## 6. BENEFICIARIES (continued)

### 6.2 Dental – Hapvida, NDI and Consolidated

The number of beneficiaries of **Hapvida's** dental plans grew by **7.8%** in the quarter when compared to **4Q21**.

Main movements **in relation to 4Q21**:

- (+254 thousand lives distributed as follows):  
 (i) +105k thousand lives in individual plans, and  
 (ii) +149k thousand lives in group plans.

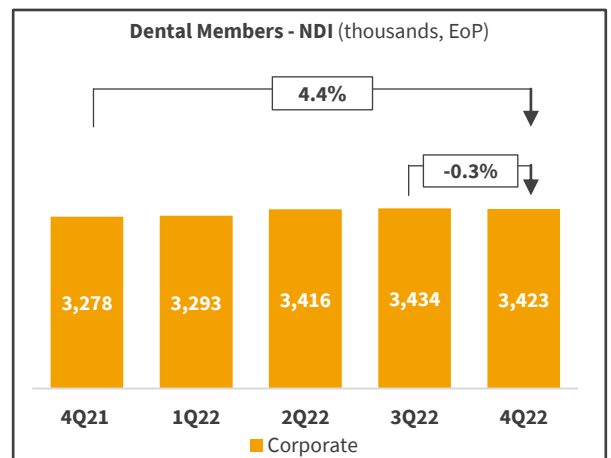
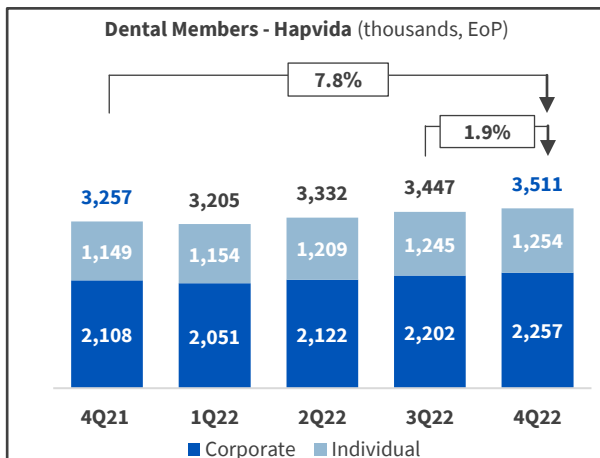
Main movements **in relation to 3Q22**:

- (+64 thousand lives distributed as follows):  
 (i) +9k thousand lives in individual plans, and  
 (ii) +55k thousand lives in group plans.

The number of beneficiaries of **NDI's** dental plans decrease by **0.3%** in the quarter compared to **3Q22**.

Main movements **in relation to 3Q22**: (-11k lives in groups plans as follows):

- (i) +115k lives of gross sales;  
 (ii) -111k lives cancelled; and  
 (iii) -15k lives of negative turnover.



#### Consolidated

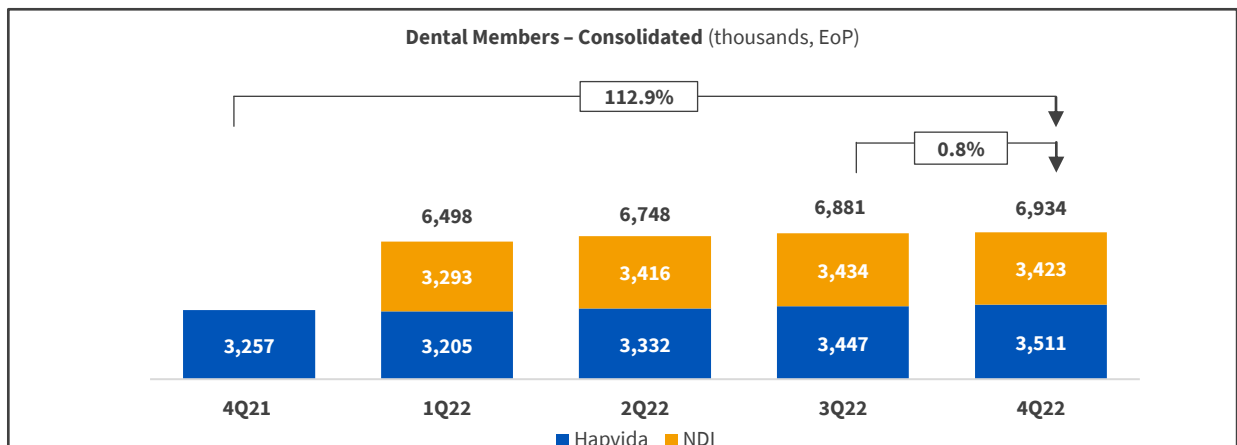
The number of beneficiaries of dental plans grew by **112.9%** in the quarter compared to **4Q21**.

By mergers/acquisitions (M&A):

- (i) **+3,412** thousand NDI group beneficiaries.

Main movements:

- (i) **+254** thousand beneficiaries (+105 thousand in individual plans and +149 thousand in group plans).

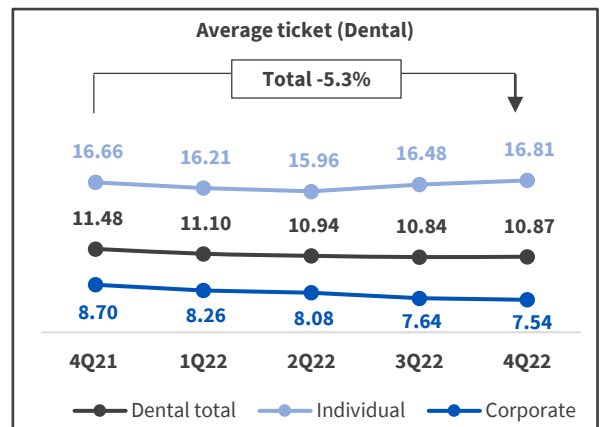
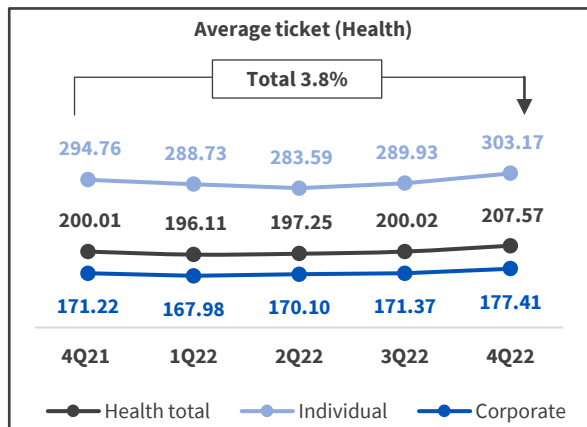


## 7. AVERAGE TICKET

### 7.1 – Average Ticket - Hapvida

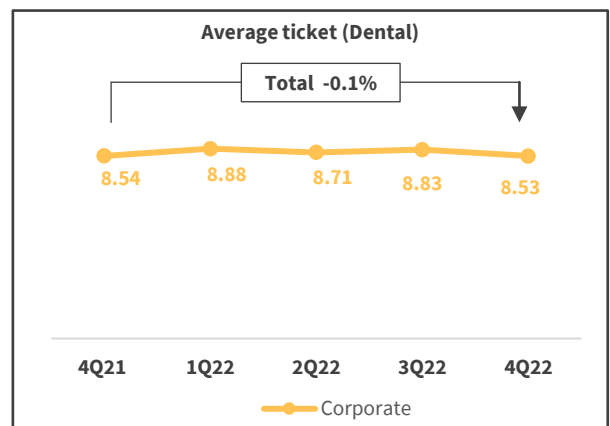
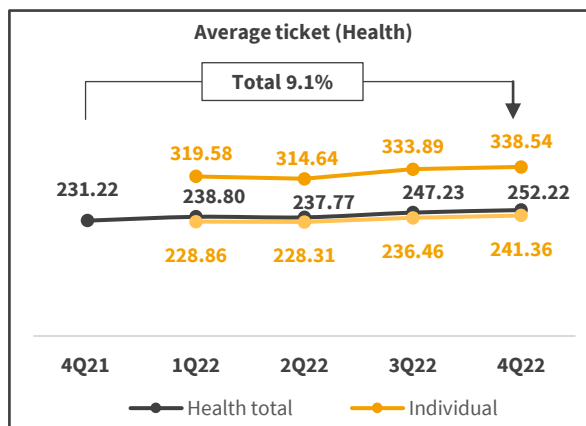
Hapvida's consolidated average ticket in health increased by 3.8% compared to 4Q21. The individual ticket grew 2.9% despite still being impacted by the negative readjustment of 8.19% of the individual plans disclosed by ANS in 2021, applied to contracts with anniversary between May 2021 and April 2022. Negative readjustments totaled approximately R\$18.0 million. The average corporate ticket grew 3.6% compared to 4Q21, impacted by the 6.7% decrease (4Q22 vs 4Q21) in the Promed ticket due to new contracts, cancellations, product changes and readjustments. Additionally, we have the post-established modality (lives and income that in the comparative periods were not considered for calculating the average ticket) which has a lower ticket, reducing the average ticket for the quarter by R\$3.86. Excluding both effects, the average ticket would have increased by 5.3% (from R\$173.92, already excluding the Promed effect in 4Q21, to R\$183.21 in 4Q22).

The average ticket in the dental segment dropped by 5.3% as a result of the average corporate ticket that fell by 13.4%. This reduction is explained by the entry of a large corporate client in the quarter with a lower ticket and also an increase by 2.3 p.p. of the product "Odonto Urgente" in the total mix, a product with low ticket that covers urgent dental care only.



### 7.2 – Average ticket - NDI

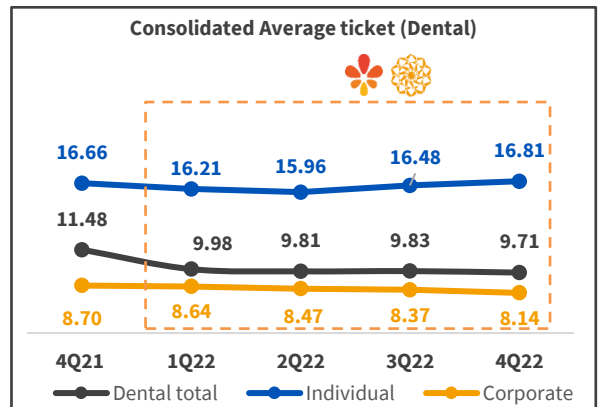
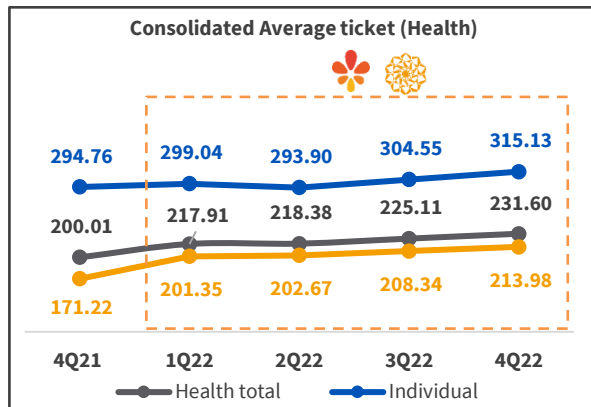
NDI's consolidated average ticket in health increased by 9.1%, reflecting (i) -0.2% from the negative readjustment of 8.19% for individual plans established by ANS in 2021, effective from May 2021 to April 2022; (ii) a 10.4% increase in the average organic price, impacted by corporate and individual readjustments in addition to the mix of more basic products; and (iii) -1.2% the impact of the normally lower average ticket from the acquisitions made in the last twelve months. The average monthly ticket for dental plans decreased by 0.1%, reflecting the cross-selling strategy with health plans.



\*The average NDI tickets between 1Q21 and 4Q21 were recalculated to reflect the result of dividing gross revenue by the number of lives, the same methodology as Hapvida.

## 7. AVERAGE TICKET (continued)

### 7.3 – Average ticket - Consolidated



# Financial Results

## 8. NET REVENUES

Net revenues in 4Q22 grew by 150.2% when compared to 4Q21, impacted by the consolidation of NDI revenues as of February/22. Individually, revenues grew despite the impact of the negative readjustment of individual plans, estimated at R\$18.0 million for Hapvida and R\$11.7 million for NDI. As of May 2022, the existing and eligible contracts of individual plans started to receive the readjustment of +15.5%. Below are the main highlights:

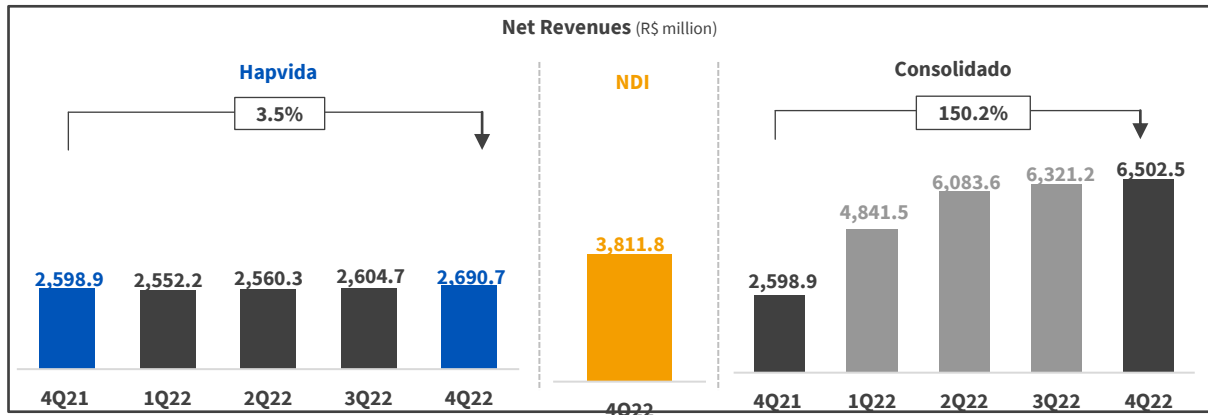
### Consolidated:

(i) R\$3.8 billion in revenues from the business combination with NDI;

### Hapvida:

- (ii) increase of 27 thousand health lives and 254 thousand dental lives when comparing 4Q22 versus 4Q21 and 17 thousand health lives and 64 thousand dental lives when comparing 4Q22 versus 3Q22;
- (iii) growth of health average ticket of 3.8%;
- (iv) growth of 761.6% (4Q22 versus 4Q21) in Hospital services; and
- (v) growth of 23.2% (4Q22 versus 4Q21) in Other revenues.

Breakdown of Gross Revenue (R\$ million)	Hapvida			NDI	Consolidated		
	4Q22	4Q21	4Q22 x 4Q21	4Q22	4Q22	4Q21	4Q22 x 4Q21
Health plans	2,666.7	2,537.7	5.1%	3,594.5	6,261.1	2,537.7	146.7%
Dental plans	113.3	111.4	1.7%	87.4	200.7	111.4	80.1%
Hospital services	15.3	34.3	(55.3%)	280.0	295.4	34.3	761.6%
Others	63.5	51.5	23.2%	-	63.5	51.5	23.2%
Deductions	(168.1)	(136.0)	23.6%	(150.1)	(318.2)	(136.0)	134.0%
<b>Total Net Revenue</b>	<b>2,690.7</b>	<b>2,598.9</b>	<b>3.5%</b>	<b>3,811.8</b>	<b>6,502.5</b>	<b>2,598.9</b>	<b>150.2%</b>

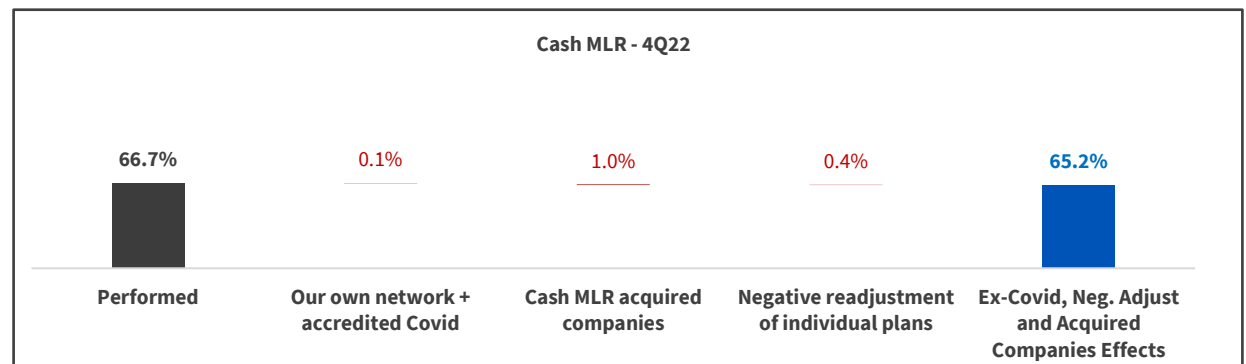




## 9. MEDICAL LOSS RATIO (MLR) AND MEDICAL COSTS

### 9.1 Medical Costs and MLR - Hapvida

Composition of Total Medical Costs and MLR (R\$ million)					
	4Q22	4Q21	4Q22 x 4Q21	3Q22	4Q22 x 3Q22
Medical costs – cash	(1,795.5)	(1,685.6)	6.5%	(1,730.1)	3.8%
Depreciation and Amortization (with IFRS 16)	(93.3)	(52.2)	78.9%	(53.7)	73.8%
IBNR provision	(24.1)	16.5	-	12.0	-
SUS reimbursement provision	(41.7)	(24.1)	72.9%	(46.8)	(10.9%)
<b>Medical Costs - Total</b>	<b>(1,954.6)</b>	<b>(1,745.4)</b>	<b>12.0%</b>	<b>(1,818.6)</b>	<b>7.5%</b>
<b>Cash MLR (ex-IBNR; ex-SUS; ex-D&amp;A)</b>	<b>66.7%</b>	<b>64.9%</b>	<b>1.8 p.p.</b>	<b>66.4%</b>	<b>0.3 p.p.</b>
<b>Total MLR</b>	<b>72.6%</b>	<b>67.2%</b>	<b>5.4 p.p.</b>	<b>69.8%</b>	<b>2.8 p.p.</b>



The cash loss ratio (which excludes D&A, IBNR movements and ReSUS provisions) was 66.7% in 4Q22, an increase of 1.8 p.p. compared to 4Q21 and an increase of 0.3 p.p. compared to 3Q22. The main impacts on the loss ratio were:

#### Positive:

- (i) verticalization<sup>1</sup> intensified, with an average increase of 0.4 p.p. in the use of our own network, as follows: -1.3 p.p. in the volume of emergency care, stable in the volume of hospitalizations and +2.5 p.p. in the volume of exams performed in 4Q22 when compared to the same period of the previous year;
- (ii) reduction in the impact of Covid-related costs, which were R\$14.3 million in 4Q21 against R\$2.0 million in 4Q22, and
- (iii) reduction in location and operating costs related to the effect of the adjustment of the application of the IFRS 16 accounting rule for some lease contracts that were not eligible and started to be accounted for by such rule (R\$19.5 million in 4Q22).

#### Negative:

- (i) increase in the volume of emergency and elective exams by 10.2%<sup>2</sup> when compared to 4Q21;
- (ii) increase in the volume of emergency and elective emergency care by 3.9%<sup>2</sup> when compared to 4Q21;
- (iii) increase in the volume of emergency and elective hospitalizations by 0.5%<sup>2</sup> when compared to 4Q21;
- (iv) impact of 0.4 p.p. in the medical loss ratio due the negative price readjustment of the individual plans (-8.19%) as determined by ANS, creating a loss of revenues of R\$18.0 million;
- (v) higher level of medical loss ratio of the acquired companies (Promed) that make up the consolidated number of Hapvida in 4Q22;
- (vi) increase in the recurring collective bargaining agreement and promotions with impacts on the respective salaries, and a recurring staff increase due to new units in the amount of R\$24.4, million; and
- (vii) increase in costs related to medical materials and drugs and doctors' fees due to an atypical virus season at the beginning of 4Q22.

The total loss ratio was 72.6% in 4Q22, an increase of 5.4 p.p. versus 4Q21 due to the constitution of IBNR in R\$24.1 million in the period versus a positive impact in the comparative period, causing a negative variation of R\$40.6 million. The comparison was hampered due to the incorporation of the operator of Grupo São Francisco (GSF), which led to the adherence of the medical bills model to that was practiced in Hapvida at the time, improving the period of recognition of a claim itself and, therefore, reducing GSF's IBNR back then. Additionally, there was also an increase in depreciation and amortization of R\$31.8 million referring to some lease contracts, which started to be accounted for under the IFRS16 rule, therefore suffering amortization.

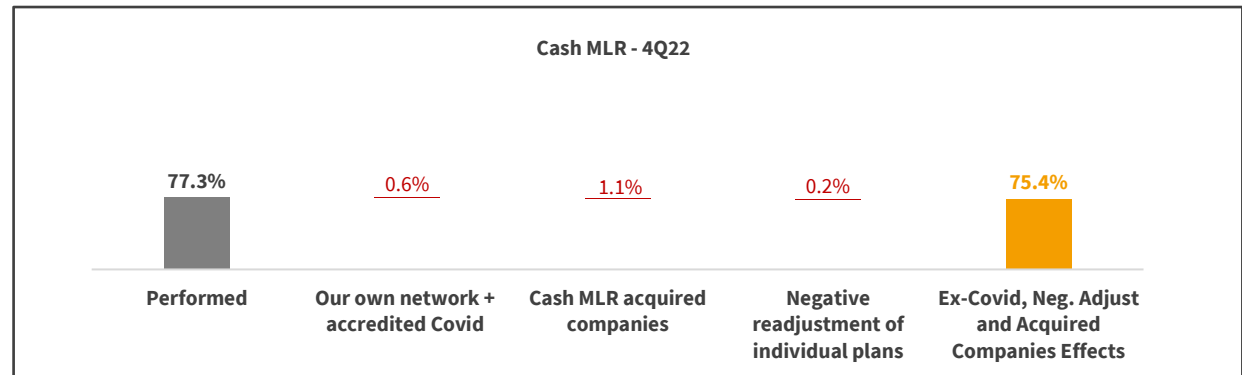
<sup>1</sup> The vertical integration indicators only consider the operators Hapvida, Grupo America and RN Saúde.

<sup>2</sup> Only the operators that were incorporated in the two comparative periods were considered: Hapvida, América, and RN Saúde and São Francisco.

## 9. MEDICAL LOSS RATIO (MLR) AND MEDICAL COSTS (continued)

### 9.2 Medical Costs and MLR - NDI

Composition of Total Medical Costs and MLR (R\$ million)			
	4Q22	3Q22	4Q22 x 3Q22
Medical costs - cash	(2,947.8)	(2,884.4)	2.2%
Depreciation and Amortization (with IFRS 16)	(61.2)	(70.6)	-
IBNR provision	(20.0)	(7.0)	186.8%
SUS reimbursement provision	(13.7)	(13.4)	2.2%
<b>Medical Costs - Total</b>	<b>(3,042.6)</b>	<b>(2,975.3)</b>	<b>2.3%</b>
<b>Cash MLR (ex-IBNR; ex-SUS; ex-D&amp;A)</b>	<b>77.3%</b>	<b>77.6%</b>	<b>-0.3 p.p.</b>
<b>Total MLR</b>	<b>79.8%</b>	<b>80.1%</b>	<b>-0.3 p.p.</b>



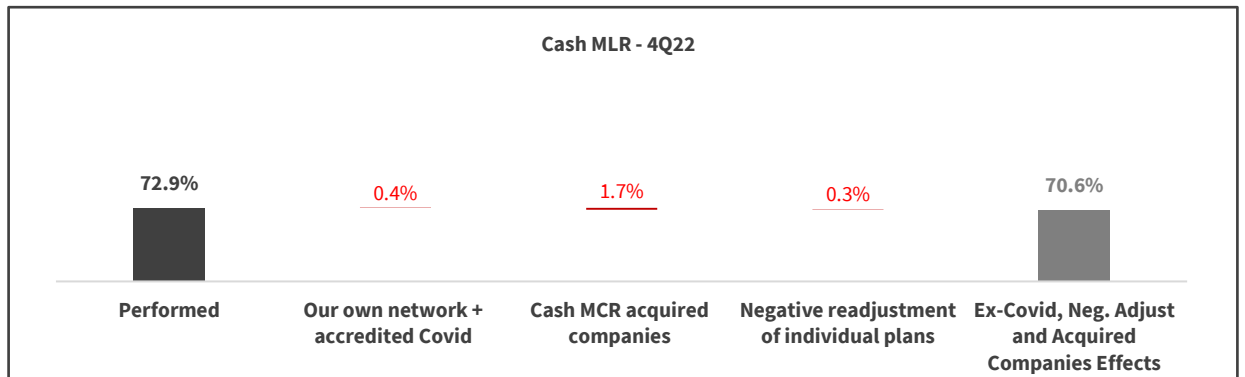
In 4Q22, the cash MLR (which excludes D&A, IBNR and ReSUS provisions) for NDI was 77.3%, a decrease of 0.3 p.p. in comparison with 3Q22. In comparison to 3Q22, the MLR was impacted by:

- (i) the volume of covid emergency care, that remained stable in percentage terms compared to 3Q22, reaching R\$22.0 million in 4Q22;
- (ii) higher cash MLR levels of the acquired companies that make up NDI's consolidated numbers in 4Q22. During the pandemic, several operations were acquired (CCG, Serpram, Medisanitas and new operational units) and are currently undergoing integration. Some of these processes were delayed due to the increased demand for COVID-19 patients in 2021. As these are smaller operations and of limited scale, their cash MLR is above NDI's level, impacting it by +1.1 p.p.;
- (iii) the loss of R\$ 11.7 million in revenues resulting from the negative price readjustment of the individual plans of -8.19% determined by ANS (+0.2 p.p. on the MLR); and
- (iv) recurring operations of medical and general inflation and collective bargaining agreements with personnel, materials and medicines, location and operation, third-party services in own network and costs with the accredited network.

## 9. MEDICAL LOSS RATIO (MLR) AND MEDICAL COSTS (continued)

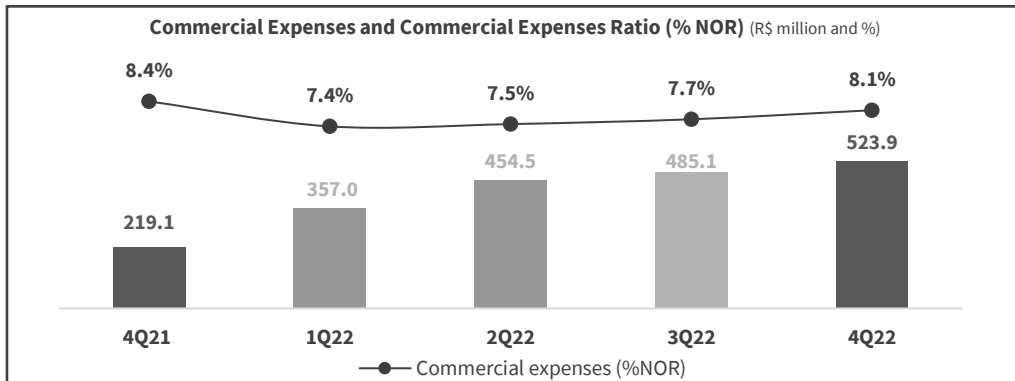
### 9.3 Medical Costs and MLR - Consolidated

Composition of Total Medical Costs and MLR					
(R\$ million)	4Q22	4Q21	4Q22 x 4Q21	3Q22	4Q22 x 3Q22
Medical costs - cash	(4,743.3)	(1,685.6)	181.4%	(4,614.4)	2.8%
Depreciation and Amortization (with IFRS 16)	(154.5)	(52.2)	196.1%	(124.3)	24.3%
IBNR provision	(44.1)	16.5	-	5.0	-
SUS reimbursement provision	(55.4)	(24.1)	129.7%	(60.2)	(8.0%)
<b>Medical Costs - Total</b>	<b>(4,997.3)</b>	<b>(1,745.4)</b>	<b>186.3%</b>	<b>(4,793.9)</b>	<b>4.2%</b>
<b>Cash MLR (ex-IBNR; ex-SUS; ex-D&amp;A)</b>	<b>72.9%</b>	<b>64.9%</b>	<b>8.0 p.p.</b>	<b>73.0%</b>	<b>-0.1 p.p.</b>
<b>Total MLR</b>	<b>76.9%</b>	<b>67.2%</b>	<b>9.7 p.p.</b>	<b>75.8%</b>	<b>1.1 p.p.</b>



The consolidated MLR was 72.9% in 4Q22, an 8.0 p.p. increase from the same quarter of 2021 and a decrease of 0.1 p.p. from the previous quarter. The main impacts have already been mentioned in the previous pages, referring to Hapvida and NDI.

## 10. SALES EXPENSES AND SALES RATIO

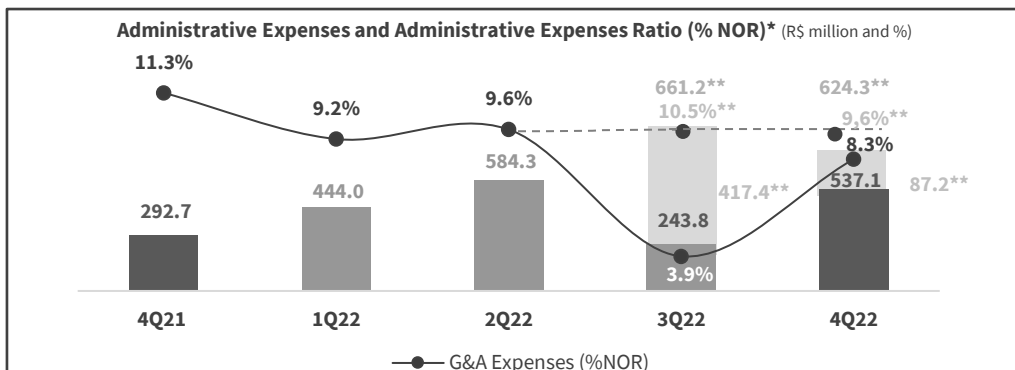


The sales ratio was 8.1% in 4Q22, an increase of 0.3 p.p. compared to the same period last year. The 4Q22 was mainly influenced by:

- (i) the entry of R\$264.8 million in selling expenses arising from the business combination with NDI. The consolidated sales ratio was positively impacted, with a 1.5 p.p. reduction in the ratio with the consolidation of NDI;
- (ii) a positive effect on the Hapvida's vertical, due to the reduction in contract cancellations in 4Q22 when compared to the previous year, causing a dilution of the expense of commissions by R\$ 7.8 million;
- (iii) an increase in provisions for loan losses in Hapvida, negatively impacting by 0.5 p.p. This impact was due to an increase in the technical provisions for the aging of overdue billings and the provision for overdue payments on sales of medical and hospital services, totaling R\$6.6 million in the quarter.

Compared to 3Q22, the ratio worsened by 0.8 p.p., both due to the aging of overdue billings at Hapvida and NDI and the provisioning of R\$11.5 million on the sale of services at NDI in line with Hapvida's practices.

## 11. ADMINISTRATIVE EXPENSES



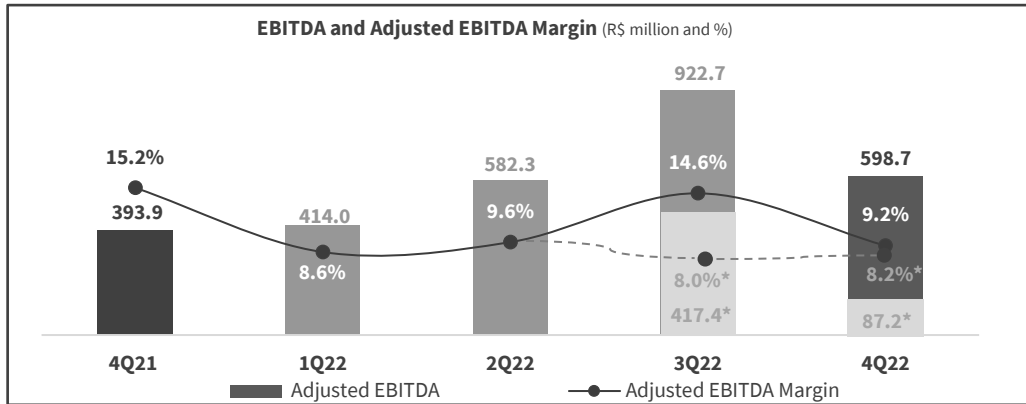
\* Current and past figures presented without depreciation, amortization, LTIP expense and SOP.

\*\*Administrative Expenses for 3Q22 and 4Q22 were respectively R\$243.8 million and R\$537.1 million, net of the positive impact of R\$417.4 million and R\$87.2 million, respectively related to the reimbursement of expenses under the purchase and sale agreement of a company acquired by the Company.

The administrative expenses ratio was 8.3% in 4Q22, a reduction of 3.0 p.p. compared to the same period of the previous year. The main movement were:

- (i) a positive impact of R\$87.2 million referring to the reimbursement of expenses pursuant to the purchase and sale agreement of a company acquired by the Company (Premium), this amount is evidenced in the Other (expenses) operating income, net account;
- (ii) the entry of R\$348.8 million in administrative expenses from NDI, which operated with a lower administrative expenses ratio (positive impact, reducing the consolidated ratio by 0.7 p.p.);
- (iii) for the positive impact of R\$24.5 million of recovery in the tax expenses of acquired companies (Promed and Premium) that had been provisioned in the opening balance sheet when the operation was closed;
- (iv) a negative impact of R\$31.8 million referring to the provision for variable compensation, and
- (v) a negative impact of R\$8.2 million related to the recurring collective bargaining agreement, promotions and impacts on the respective total labor costs.

## 12. ADJUSTED EBITDA



\*EBITDA for 3Q22 and 4Q22 above includes the positive impact of R\$417.4 million and R\$87.2 million, respectively, related to the reimbursement of expenses pursuant to the purchase and sale agreement of companies acquired by the Company.

As of 2Q21, inclusive, EBITDA was adjusted by the LTIP, which had a provisioned value of R\$14.1 million in 4Q22. As of 1Q22, we also started measuring and accounting for the stock option program (SOP), which was approved at the Extraordinary Shareholders' Meeting of March 29, 2021 and Extraordinary Shareholders' Meeting of April 30, 2021, and became effective after the closing of the transaction with NDI with an impact of R\$55.7 million in 4Q22. The decrease in SOP provisioning compared to 3Q22 was due to the first tranche of the program which was fully expensed by 08/2022.

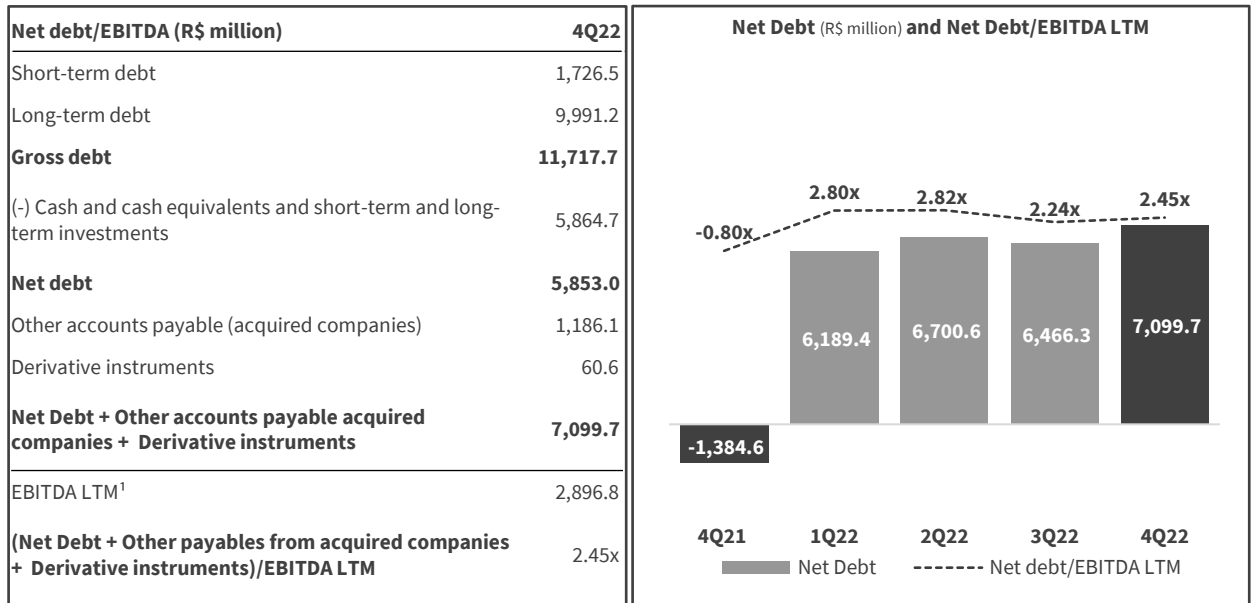
Thus, Adjusted EBITDA in 4Q22 was R\$598.7 million, an increase of 52.0% compared to 4Q21. The Adjusted EBITDA margin in 4Q22 was 9.2%, a decrease of 6.0 p.p. in the same comparison, mainly explained by the impacts of the negative readjustment of the individual plans, by the higher MLR of the newly acquired operators and by the consolidation of NDI. On a positive note, the EBITDA margin was impacted by the price adjustment for the acquisition of Premium in the amount of R\$87.2 million.

Adjusted EBITDA Reconciliation (R\$ million)	4Q22	4Q21	Var. % 4Q22 / 4Q21	3Q22	Var. % 4Q22 / 3Q22
<b>Net Income (loss)</b>	<b>(316.7)</b>	<b>200.2</b>	-	<b>35.2</b>	-
(+) Financial result	515.7	21.7	2275.9%	345.4	49.3%
(+) Income tax and social contribution	(299.7)	(66.5)	350.6%	(271.4)	10.4%
(+) Depreciation and Amortization	629.5	233.0	170.2%	671.5	(6.2%)
<b>EBITDA</b>	<b>528.9</b>	<b>388.4</b>	<b>36.2%</b>	<b>780.6</b>	<b>(32.2%)</b>
(+) Long term Incentive Plan (LTIP)	69.8	5.5	1158.5%	142.1	(50.9%)
<b>EBITDA Ex-LTIP/SOP or Adjusted EBITDA</b>	<b>598.7</b>	<b>393.9</b>	<b>52.0%</b>	<b>922.7</b>	<b>(35.1%)</b>

### 13. DEBT

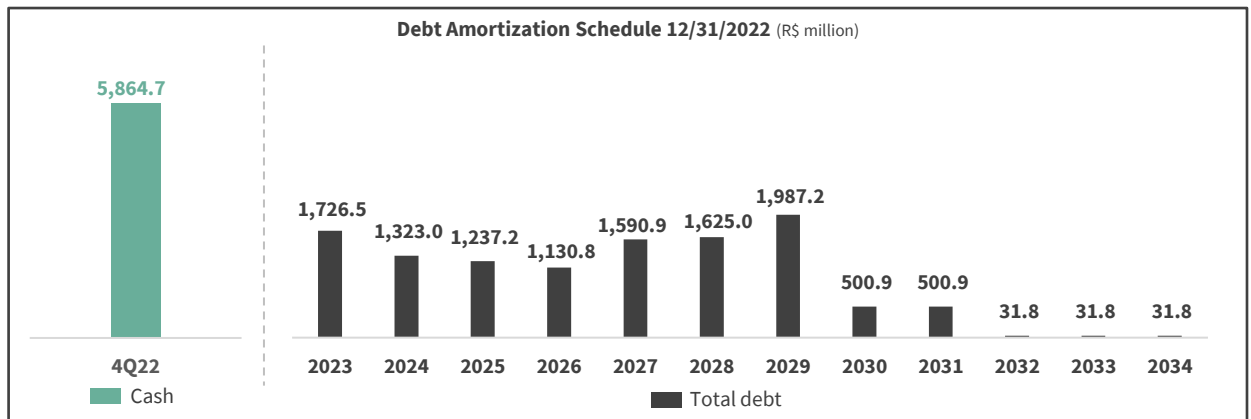
At the end of 4Q22, the Company had a balance of loans, financing and debentures of R\$11.7 billion, including the balance of other payables accounts from acquired companies, indemnification assets and the balances of derivative financial instruments, the gross debt totaled R\$13.0 billion.

The Net Financial Debt/EBITDA ratio in 4Q22 was 2.45x. An issuance of a CRI (Certificate of Real Estate Receivables) in the amount of R\$1.0 billion was settled in December 2022. This resource will be used for: (i) the payment of costs and expenses not yet incurred and directly related to the construction, expansion, development, renovation and payment of rents for certain properties and/or real estate developments and (ii) reimbursement of costs and expenses of a real estate nature and predetermined, incurred by BCBF and its subsidiaries in the 24 months immediately prior to the closing date of the offer of CRI Hapvida operations, directly related to the acquisition, development, renovation or payment of rent of properties, as the applicable legislation and regulation.



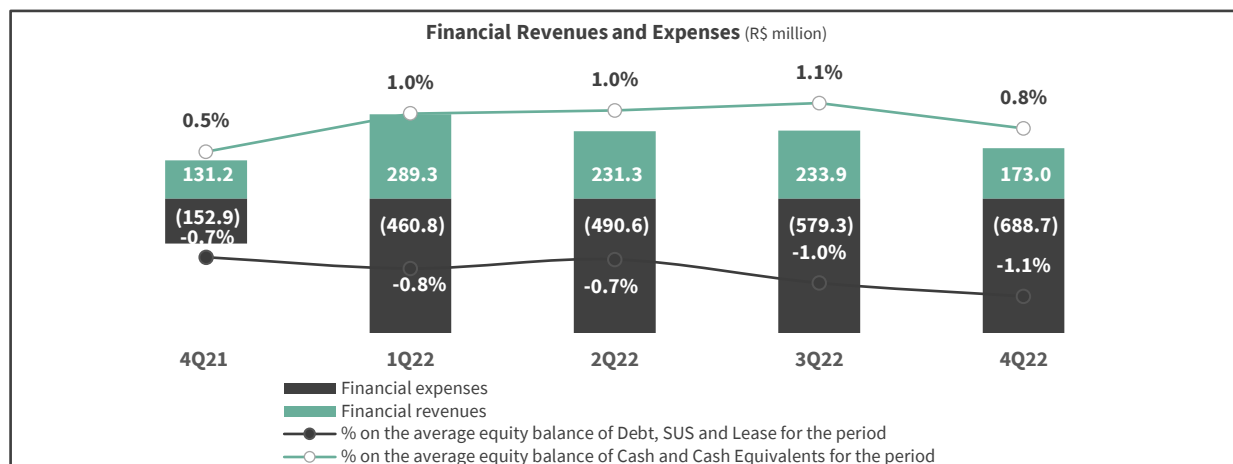
<sup>1</sup>Adjusted EBITDA by provisions for impairment of accounts receivable, expenses with LTIP and SOP and considering the Adjusted EBITDA LTM for NDI.

Below, we present our debt amortization schedule of the loans, financing and debentures outstanding at the end of the quarter.





## 14. FINANCIAL RESULTS

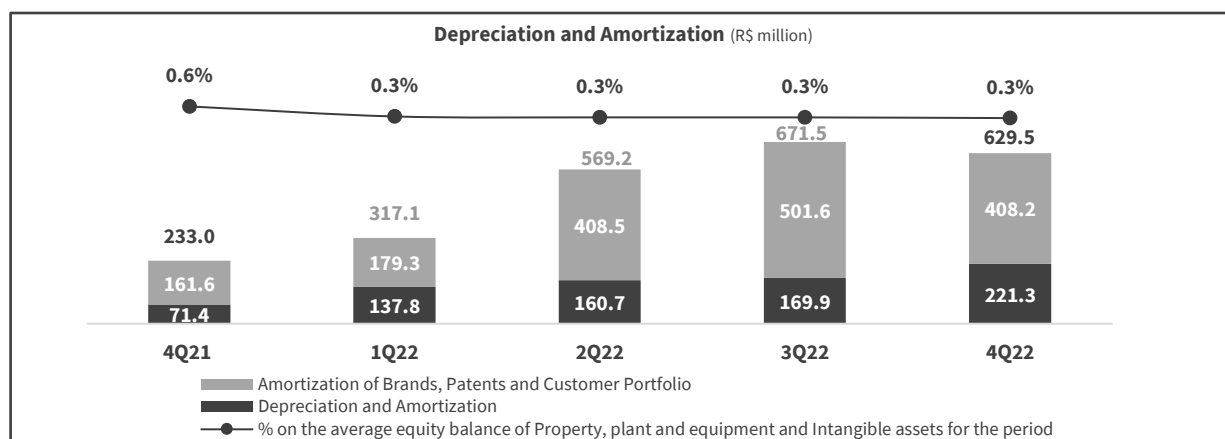


The net financial result in 4Q22 totaled a net expense of R\$515.7 million compared to a net expense of R\$21.7 million in 4Q21. The period was impacted:

(i) positively, the accounting of revenues from monetary restatement on the the balance sheet of judicial deposits and indemnity credits of R\$30.7 million, a practice that did not exist in the comparative period, and R\$14.2 million of overdue receipts arising from considerable receipts from large companies who settled their payments in the quarter. Furthermore, we implemented a new work routine with a collection team - the virtual agents - which are acting directly in the collections in bands even though they do not impact the PDD, resulting in better activation and credit recovery; and

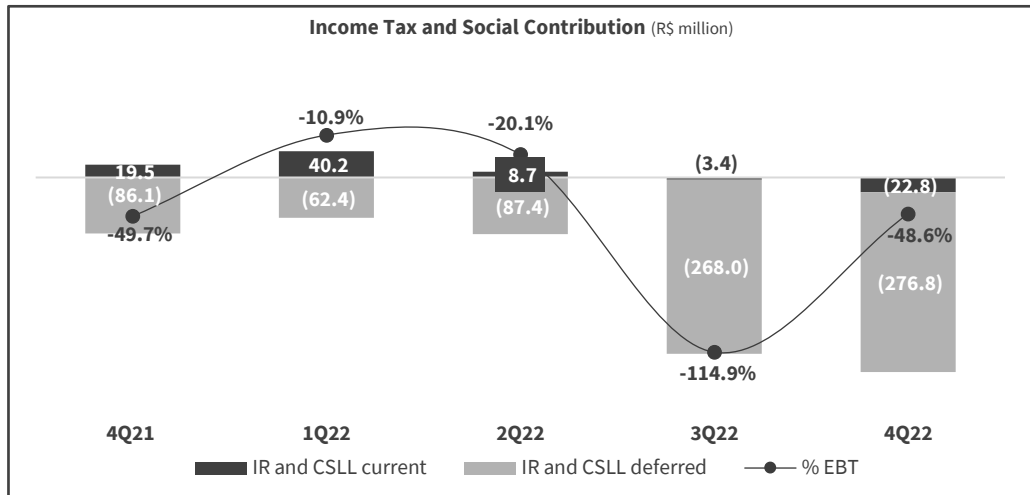
(ii) negatively, by the increase of R\$290.1 million of interest on loans, financing and debentures due to the higher balance sheet balance arising from the 2nd and 3rd issuance of debentures of Hapvida, 1st issuance of CRI of Hapvida and 2nd issuance of CRI of BCBF that did not exist or were not completely impacting the comparative period, in addition to other loans and financing arising from the opening balance on 01.31.2022 with the closing of the business combination with NDI. There was also an increase of the monetary restatement on the balance sheet of the provisions for risks (contingencies) and indemnity liabilities, a practice that did not exist in the comparative period. There was also an increase of the lease interests (IFRS16) from a higher balance sheet with the addition of NDI's liabilities and, specifically this quarter, there was also the measurement of some leases. And, in general, financial expenses were impacted by the increase in the average DI rate (from 7.63% in 4Q21 to 13.65% in 4Q22).

## 15. DEPRECIATION AND AMORTIZATION



Depreciation and amortization expenses totaled R\$629.5 million in 4Q22, equivalent to 0.3% of the average balance of corresponding equity assets, in line with previous quarters after the business combination with NDI. The main variation in this account refers to the amortization of the customer portfolio and trademarks and patents mainly from the business combination with NDI that started to be amortized in 2022 with an impact in 4Q22 of R\$408.2 million. The explanation for the reduction when compared with 3Q22 is due to the increase in the useful life of brands and patents from the business combination with NDI from 20 years to 30 years, and also due to the change in the amount allocated to the balance of the customer portfolio due to the revision of NDI's PPA report. The balances of fixed assets also underwent a revision of the useful life, which caused a reduction in the useful life, consequently, an acceleration in the recognition of depreciation. Besides an impact in the depreciation via IFRS16 due to the measurement of some contracts.

## 16. INCOME TAX AND SOCIAL CONTRIBUTION



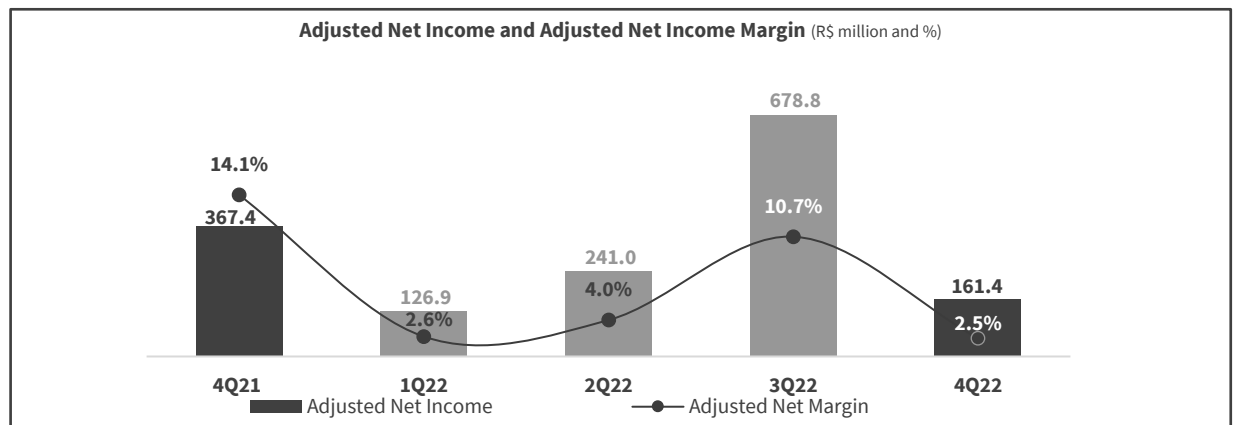
The effective tax rate was negative -48.6% in 4Q22, in line with the comparative year. In 4Q22 the main effects were: (i) price adjustment of the Premium acquisition process in the amount of R\$87.2 million excluded in the tax calculation; (ii) recognition of other exclusions in the amount of R\$59.8 million mainly explained by several credits/reversals arising from the business combination with NDI that were excluded in the tax calculation; (iii) reduction in the tax loss carryforwards for which no deferred tax asset was recognized when compared to 3Q22, mainly due to the companies merged on December 1<sup>st</sup>, 2022. The income tax and social contribution (current) are being presented with credit values also due to the companies merged on December 1<sup>st</sup>, 2022, with consequent reversal of the provisions of these taxes recognized in results until the moment of incorporation.

## 17. ADJUSTED NET INCOME

Adjusted Net Income totaled R\$161.4 million in 4Q22 with a net margin of 2.5%. The adjustments considered to calculate the Adjusted Net Income were:

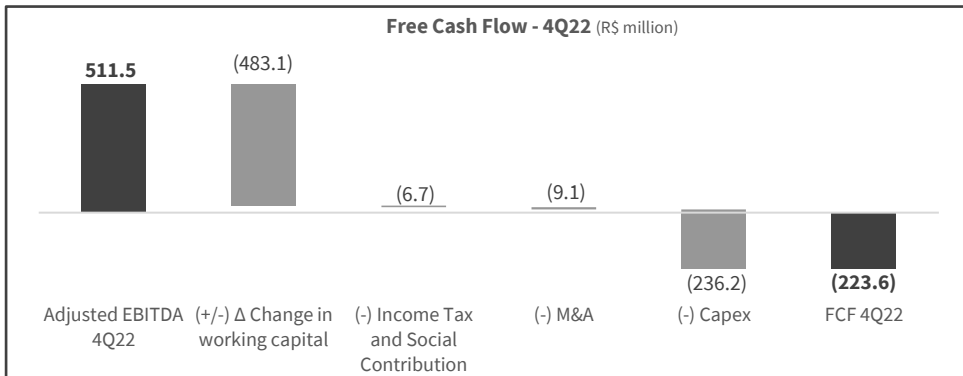
- (i) amortization of Brands, Patents and Customer Portfolio (R\$408.2 million in 4Q22 and R\$161.6 million in 4Q21);
- (ii) Long-Term Incentive and SOP in 4Q22 of R\$69.8 million and R\$5.5 million in 4Q21.

The 4Q22 net income was also impacted by the recognition of reimbursement (price adjustment) of the Premium acquisition process in the amount of R\$87.2 million which did not occur in the comparative year.

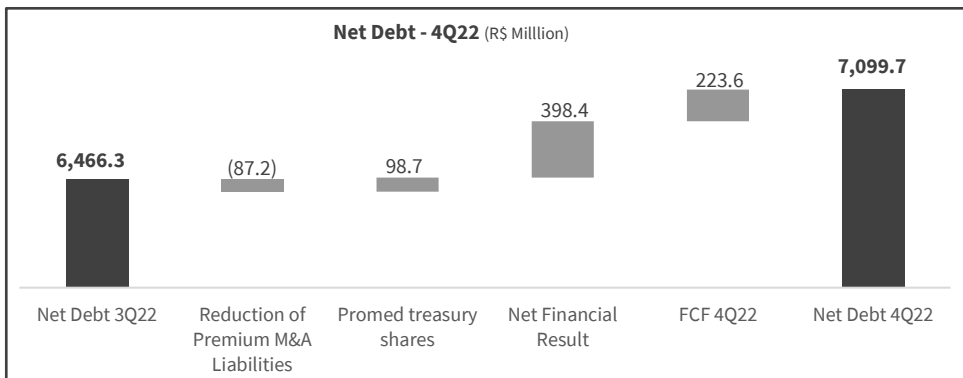


## 18. FREE CASH FLOW AND NET DEBT

Free cash flow was negative by R\$223.6 million in 4Q22 due to: (i) negative variation in working capital by R\$483.1 million, mainly explained by the increase in balances receivable from customers, payment of 13th salary, payment leases and cash consumption due to the increase in deferred commissions; (ii) payment of current income tax and social contribution in the amount of R\$6.7 million due to the deductibility of goodwill and the amortization of the fair value arising from the business combination (value added) in the tax assessment; (iii) cash consumption of R\$236.2 million for the acquisition of property, plant and equipment and intangibles; and (iv) cash consumption in the amount of R\$9.1 million related to payment for acquisitions.



<sup>1</sup>Adjusted EBITDA disregarding the non-cash effect of R\$87.2 million related to the price adjustment of the acquired Premium.



# Appendices - Consolidated

## 19. INCOME STATEMENT

R\$ mm	4Q22	4Q21	Var. % 4Q22/4Q21	3Q22	Var. % 4Q22/3Q22
Revenues from gross payments	6,461.8	2,649.4	143.9%	6,239.7	3.6%
Revenue from other activities	358.8	85.8	318.2%	386.2	(7.1%)
Deductions	(318.2)	(136.3)	133.5%	(304.7)	4.4%
<b>Net revenues</b>	<b>6,502.5</b>	<b>2,598.9</b>	<b>150.2%</b>	<b>6,321.2</b>	<b>2.9%</b>
Medical cost and others	(4,743.3)	(1,685.6)	181.4%	(4,614.4)	2.8%
Depreciation and amortization	(154.5)	(52.2)	196.1%	(124.3)	24.3%
Change in IBNR	(44.1)	16.5	-	5.0	-
Change in SUS reimbursement provision	(55.4)	(24.1)	129.7%	(60.2)	(8.0%)
<b>Total cost</b>	<b>(4,997.2)</b>	<b>(1,745.4)</b>	<b>186.3%</b>	<b>(4,793.9)</b>	<b>4.2%</b>
<b>Gross profit</b>	<b>1,505.2</b>	<b>853.5</b>	<b>76.4%</b>	<b>1,527.4</b>	<b>(1.5%)</b>
<i>Gross margin</i>	<b>23.1%</b>	<b>32.8%</b>	<b>-9.7 p.p.</b>	<b>24.2%</b>	<b>-1.0 p.p.</b>
<b>Selling expenses</b>	<b>(523.9)</b>	<b>(219.1)</b>	<b>139.1%</b>	<b>(485.1)</b>	<b>8.0%</b>
Advertise expenses	(35.7)	(15.0)	138.1%	(20.2)	76.7%
Comission expenses	(301.6)	(137.6)	119.2%	(338.2)	(10.8%)
Provision for credit losses	(153.7)	(66.5)	131.1%	(98.4)	56.3%
Personnel	(27.8)	-	-	(24.6)	13.0%
Other sales expenses	(5.0)	-	-	(3.7)	35.0%
<b>Administrative expenses</b>	<b>(1,176.6)</b>	<b>(475.9)</b>	<b>147.3%</b>	<b>(1,362.0)</b>	<b>(13.6%)</b>
Personnel	(291.6)	(117.0)	149.3%	(320.5)	(9.0%)
<i>Stock Grant and Stock Option</i>	(69.8)	(5.5)	1158.4%	(142.1)	(50.9%)
Third party services	(182.6)	(76.8)	137.9%	(171.1)	6.7%
Location and operation	(78.1)	(43.4)	79.8%	(80.4)	(2.8%)
Depreciation and amortization	(475.0)	(180.8)	162.7%	(547.2)	(13.2%)
Taxes	16.9	(4.2)	-	(36.2)	-
Provisions for civil, labor and tax risks	(80.2)	(49.7)	61.3%	(52.7)	52.3%
Miscellaneous expenses	(16.1)	1.6	-	(12.0)	34.0%
<b>Other expenses/operational revenues</b>	<b>94.6</b>	<b>(3.1)</b>	<b>-</b>	<b>429.0</b>	<b>(77.9%)</b>
<b>Total expenses</b>	<b>(1,605.8)</b>	<b>(698.1)</b>	<b>130.0%</b>	<b>(1,418.2)</b>	<b>13.2%</b>
<b>Operational income</b>	<b>(100.6)</b>	<b>155.4</b>	<b>-</b>	<b>109.2</b>	<b>-</b>
<i>Operational margin</i>	<b>-1.5%</b>	<b>6.0%</b>	<b>-7.5 p.p.</b>	<b>1.7%</b>	<b>-3.3 p.p.</b>
Financial revenues	173.0	131.2	31.9%	233.9	-26.0%
Financial expenses	(688.8)	(152.9)	350.4%	(579.3)	18.9%
<b>Financial result</b>	<b>(515.8)</b>	<b>(21.7)</b>	<b>2276.2%</b>	<b>(345.4)</b>	<b>49.3%</b>
<b>EBIT</b>	<b>(616.4)</b>	<b>133.7</b>	<b>(561.0%)</b>	<b>(236.3)</b>	<b>160.9%</b>
IR and CSLL current	22.8	(19.5)	-	3.4	564.0%
IR and CSLL deferred	276.8	86.1	221.7%	268.0	3.3%
<b>IR and CSLL</b>	<b>299.7</b>	<b>66.5</b>	<b>49.7%</b>	<b>271.4</b>	<b>10.4%</b>
<b>Net income (loss)</b>	<b>(316.7)</b>	<b>200.2</b>	<b>-</b>	<b>35.2</b>	<b>-</b>
<i>Net margin</i>	<b>-4.9%</b>	<b>7.7%</b>	<b>-12.6 p.p.</b>	<b>0.6%</b>	<b>-5.4 p.p.</b>

EBITDA					
R\$ mm	4Q22	4Q21	Var. % 4Q22/4Q21	3Q22	Var. % 4Q22/3Q22
<b>EBT</b>	<b>(100.6)</b>	<b>155.4</b>	<b>-</b>	<b>109.2</b>	<b>-</b>
Depreciation	169.8	57.9	193.5%	150.1	13.1%
Amortization	459.7	175.1	162.5%	521.3	(11.8%)
<b>EBITDA</b>	<b>528.9</b>	<b>388.4</b>	<b>36.2%</b>	<b>780.6</b>	<b>(32.2%)</b>
<i>EBITDA margin</i>	<b>8.1%</b>	<b>14.9%</b>	<b>-6.8 p.p.</b>	<b>12.3%</b>	<b>-4.2 p.p.</b>

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# Appendices - Consolidated

## 20. BALANCE SHEET

R\$ mm	12.31.2022	12.31.2021	Var. R\$	Var. %
<b>Assets</b>	<b>73,213.7</b>	<b>21,034.4</b>	<b>52,179.3</b>	<b>248.1%</b>
<b>Current assets</b>	<b>7,931.9</b>	<b>3,318.2</b>	<b>4,613.7</b>	<b>139.0%</b>
Cash and cash equivalents	1,267.9	347.3	920.7	265.1%
Short-term investments	3,331.7	1,720.0	1,611.7	93.7%
Trade receivables	1,480.8	474.3	1,006.5	212.2%
Inventory	280.8	156.9	123.8	78.9%
Recoverable tax	708.1	237.9	470.2	197.7%
Derivative financial instruments	-	7.8	(7.8)	(100.0%)
Other assets	390.6	152.6	238.1	156.1%
Deferred commission	471.9	221.5	250.4	113.1%
<b>Non-current assets</b>	<b>65,281.8</b>	<b>18,041.9</b>	<b>47,240.0</b>	<b>261.8%</b>
Long-term investments	1,265.0	5,790.8	(4,525.8)	(78.2%)
Deferred taxes	2,504.9	1,034.4	1,470.4	142.1%
Judicial deposits	1,822.8	417.5	1,405.3	336.6%
Deferred commission	510.2	172.0	338.2	196.6%
Related party receivable	3.5	3.5	-	(0.8%)
Other assets	113.6	56.1	57.5	102.4%
Investments	6.4	-	6.4	-
Property, plant and equipment	7,304.7	3,010.9	4,293.8	142.6%
Intangible assets	51,750.7	7,556.5	44,194.2	584.8%
<b>Liabilities and shareholders' equity</b>	<b>73,213.7</b>	<b>21,034.4</b>	<b>52,179.3</b>	<b>248.1%</b>
<b>Current liabilities</b>	<b>7,474.5</b>	<b>3,184.5</b>	<b>4,290.1</b>	<b>134.7%</b>
Lending and Financing	1,726.5	713.3	1,013.3	142.1%
Trade payables	414.7	173.4	241.3	139.1%
Technical provisions for health care operations	3,636.8	1,549.1	2,087.7	134.8%
Health care payables	13.2	11.8	1.4	11.9%
Payroll obligations	647.8	270.6	377.2	139.4%
Taxes and contributions payable	436.4	207.3	229.0	110.5%
Income and social contribution taxes	31.8	58.6	(26.8)	(45.8%)
Dividends and interest on shareholders' equity payable	13.6	31.9	(18.3)	(57.3%)
Leases payable	143.5	57.0	86.4	151.5%
Derivative financial instruments	18.5	-	18.5	-
Related party payables	4.0	13.2	(9.2)	(69.7%)
Other accounts payable	387.8	98.2	289.6	294.8%
<b>Non-current liabilities</b>	<b>16,982.5</b>	<b>7,276.9</b>	<b>9,705.6</b>	<b>133.4%</b>
Lending and Financing	9,991.2	4,882.7	5,108.5	104.6%
Taxes and contributions payable	157.1	123.2	33.9	27.5%
Technical reserves for health care operations	871.5	25.9	845.6	3263.4%
Leases payable	2,206.6	1,076.6	1,130.0	105.0%
Deferred income tax and social contribution	808.3	166.1	642.3	386.8%
Provision for tax, civil and labor risks	1,361.0	428.8	932.2	217.4%
Derivative financial instruments	42.2	18.3	23.9	130.7%
Other accounts payable	1,544.7	881.1	663.6	75.3%
<b>Shareholders' equity</b>	<b>48,756.7</b>	<b>10,573.0</b>	<b>38,183.7</b>	<b>361.1%</b>
Capital	37,834.0	8,124.2	29,709.8	365.7%
Treasury shares	(427.8)	(299.8)	(128.0)	42.7%
Legal reserve	201.5	201.5	-	0.0%
Capital reserve	9,844.4	429.5	9,414.8	2191.8%
Profit reserves	1,339.6	2,116.8	(777.2)	(36.7%)
Other comprehensive income	(42.2)	-	(42.2)	-
Equity attributable to controlling shareholders	48,749.4	10,572.1	38,177.3	361.1%
Non-controlling interest	7.3	0.9	6.4	752.8%

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# Appendices - Consolidated

## 21. CASH FLOW STATEMENT

R\$ mm	4Q22	4Q21
<b>Net income</b>	<b>(316.7)</b>	<b>200.2</b>
<b>Adjustments to reconcile net income with cash</b>	<b>1,651.9</b>	<b>257.3</b>
Depreciation and amortization	548.7	208.3
Depreciation of usage rights	80.8	24.7
Technical provisions for health care operations	43.9	(16.5)
Provision for losses on receivables	153.7	66.5
Write-off of property, plant and equipment	21.0	0.5
Write-off of intangible assets	(0.0)	(0.1)
Provision for tax, civil and labor risks	118.5	21.6
Income from financial investments	(210.4)	(112.5)
Earning on derivative financial instruments	94.6	18.2
Interest and monetary restatement of leases	100.5	28.4
Interest and financial charges on loans and financing	372.9	79.3
Exchange rate	0.3	0.4
Long-term incentive plan	69.8	5.5
Change in fair value contingent liability	(86.4)	-
Others	(1.9)	(0.5)
Tax income and social contribution	(22.8)	19.5
Deferred taxes	(276.8)	(86.1)
Amortization of deferred commission	645.7	-
<b>(Increase) decrease in asset accounts</b>	<b>(1,185.6)</b>	<b>(343.8)</b>
Accounts receivable	(364.0)	(104.5)
Inventory	2.4	(13.9)
Taxes recoverable	(79.2)	(35.6)
Judicial deposits	(96.1)	(3.2)
Other assets	26.3	10.3
Deferred Sales Expense	(675.1)	(196.9)
<b>Increase (decrease) in liability accounts:</b>	<b>9.3</b>	<b>(215.9)</b>
Technical provisions for health care operations	29.2	(18.2)
Debts of health care operations	(1.6)	(10.7)
Social obligations	(118.9)	(62.4)
Suppliers	61.7	(47.9)
Taxes and contributions payable	6.3	(23.9)
Other accounts payable	102.7	36.7
Income tax and social contribution paid	(6.7)	(54.5)
Provision for tax, civil and labor risks	(63.4)	(35.0)
<b>Net cash provided by operating activities</b>	<b>159.0</b>	<b>(102.2)</b>
<b>Cash flow from investing activities</b>	<b>285.1</b>	<b>(3,394.6)</b>
Payments to related parties	0.0	8.8
Acquisition of property, plant and equipment	(155.5)	(282.8)
Acquisition of intangibles	(80.7)	(31.4)
Acquisition/sale of investments	266.3	(166.0)
Balances attributed to the acquisition of investees	(0.1)	4.5
Financial investments	255.1	(2,927.5)
<b>Cash flow from financing activities</b>	<b>255.3</b>	<b>3,126.7</b>
Issuance of Debentures	-	2,500.0
Obtaining loans	1,321.3	1,001.7
Receipt of derivative financial instruments	(45.0)	0.0
Payment / Acquisition of loans and financing	(283.4)	16.8
Payment of interest on loans, financing and debentures	(494.3)	(30.1)
Transaction costs related to funding	(23.2)	(47.8)
Payment/ Acquisition of subsidiaries	(9.2)	(1.5)
Payment of dividends and interest on own capital	(0.0)	(38.9)
Principal payments - Leases	(113.4)	(44.0)
Capital contribution	1.1	-
Stock buybacks/ Repurchase of own shares	(98.7)	(225.8)
Non-controlling shareholding stake	-	(3.6)
<b>Change in cash and cash equivalents</b>	<b>699.3</b>	<b>(370.0)</b>
Cash and cash equivalents at the beginning of the period	568.7	506.1
Cash and cash equivalents at the end of the period	1,267.9	347.3

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