

**Conference Call Transcription
4Q24 Earnings Results
Grupo Fleury S/A (FLRY3)
February 28th, 2025**

Operator: Good morning. I would like to welcome you all to Grupo's Fleury earnings call for the 4Q24.

We have here with us today, Ms. Jeanne Tsutsui, CEO of the Company, Mr. José Filippo, CFO, and Mr. Renato Brown, IRO.

Let me take this opportunity to inform you that this event is being recorded and that we also have simultaneous translation into English. The Company will present its results and then we are going to start our Q&A session. The end of the session, Ms. Tsutsui will also make her final remarks.

All the numbers that are going to be mentioned here are compared against the same period in 2023, unless otherwise specified, and they have been rounded up to the nearest thousand.

Before moving on, we would like to point out that this presentation may contain information about future events. Such information is not only historical fact but would reflect the wishes and expectations of the Company's management. The words beliefs, expects, plans, forecasts, estimates, projects, aims, and similar words intend to identify statements that necessarily involve known and unknown risks.

Known risks include uncertainties which are not limited to the impact of price and service competitiveness. Uncertainties also include market acceptance of services, service transactions of the Company and its competitors, regulatory approvals, currency fluctuation, changes in the mix of services offered, and other risks described in the Company's reports.

I would like now to hand it over to Ms. Jeanne Tsutsui.

Jeanne Tsutsui: Good morning, everyone. Thank you for your participation in the earnings release call to present Grupo Fleury's results for the 4Q24.

In our call today, we will start with an overview of our group, going through differentiation and initiatives, such as the Integrated Centers of Fleury brand, up to the financial highlights of the quarter.

In 24, we had positive results from our strategy of strengthening the Diagnostic Medicine core and offering outpatient solutions that complement the healthcare journey, all driven by the successful integration process with Pardini Group.

We have executed this merger as planned, capturing operational synergies and promoting the combination of cultures and processes. The Company resulting from this integration has consolidated as a reference player in the market, expanding our geographic presence and strengthening business complementarity.

As you can see on slide 5, we have a robust network in B2C Diagnostic Medicine with service units from different brands that serve the premium, intermediate, and basic segments in 14 states, in addition to Lab-to-Lab services with partnering labs throughout the national territory, bringing resilience to our operations in a challenging macroeconomic scenario. |

In addition to Diagnostic Medicine, which supports 70% of medical decision-making, we offer prevention services, such as immunization, health checkup, clinical consultation by telemedicine, full day outpatient care services in some medical specialties, and treatment with outpatient procedures.

On slide 6, we can see our 4 avenues of growth. The first one is B2C Diagnostic Medicine, which amounts to 67% of the total revenue of our total revenue. Mobile services has maintained its expansion robustness in 2024, reaching 7.5% of our total revenue. Our strategic B2C initiatives are also worth mentioning. In April, we announced the acquisition of Grupo São Lucas, marking our entry with service units in the state of Santa Catarina. In November, we announced the acquisition of Confiante Medicina Diagnostics in Campinas and regions, still waiting for antitrust authority approval.

With 25 service units, Confiante will expand our capillarity, our footprint, and allow us to capture relevant operational synergies, given the proximity to the city of São Paulo. These initiatives have been carried out with very rigorous discipline that has been part of our capital allocation strategy over the years, which will be in place as we continue to evaluate further opportunities in 2025.

Next, we have the B2B Diagnostic Medicine, which corresponds to 24% of our total revenue. After business combination, Lab-to-Lab Pardini has its exam portfolio expanded with new communication positioning and potential to use greater number of technical areas for different processing of tests and exams.

The third avenue of growth are Novos Elos (New Links), which amount to 80% of total revenues, which gather 5 specialties, 9 brands, and 33 service units covering the areas of infusion of immunobiological drugs, orthopedics, ophthalmology, fertility, and oncology. And finally, we have the Healthcare Platforms, which amount to 1% of our total revenue.

On slide 7, we see in the graph on the left the growth of Fleury Group over the years. The chart on the right shows the representativeness of each business and brand in total revenue. You can see that in recent years, we have accelerated the pace of growth of Fleury Group. In 3 years, we doubled our revenues from R\$ 4.2 billion in 2021 to R\$ 8.3 billion at the end of 2024.

We have also brought new businesses and services that have diversified our revenues. Currently, B2C segment amounts to 67% of total revenues and brand Fleury amounts to 25%. The business combination with Pardini has strengthened the B2B segment, and since 2021, we have had New Links and Platforms, the other two lines. The diversification of revenues and paying sources gives to Grupo Fleury greater resilience, ability to capture market share, and to be positioned as one of the health leaders in Brazil.

Let's now talk about how Grupo Fleury has been innovating, such as the offer of Integrated Centers. Over the years, Fleury brand has maintained its leadership position in the premium Diagnostic Medicine market and has gained market share through the offer of an extended portfolio of tests and services with excellent medical team, incorporation of new technologies that add value to patient care, and positive experience of patient.

On slide 9, we see how the Integrated Medicine Centers have contributed significantly to increasing our differentiation in areas that integrate diagnostic and therapeutic services, modern technologies, and supported by specialized medical and backup teams. Patients perform tests and services as in sequence in one single period of the day, they gain in time, convenience, and also safety.

The physicians have in each center a partner in the investigation of the clinical hypothesis and in approaching their patients with direct support of our medical consulting groups. For paying sources, this integrated flow enables faster diagnosis and avoid unnecessary tests. Fleury brand already has a number of Integrated Centers, and in 2024, 2 new ones were opened, the Integrated Endometriosis Center and the Integrated Neurology Center.

The Endometriosis Center is a space dedicated exclusively to advanced diagnosis and treatment of the disease, and it complements the women's health journey, as we already offer a number of services to all stages of care of women. The growing number of patients with cognitive impairment was the starting point for the Company to open the Integrated Neurology Center dedicated to neurological diseases, which brings together in a single area all technological innovation and diagnostic imaging to solve the needs of patients and referring physicians using state-of-the-art equipment methods and technology in the world market, such as the most advanced techniques of magnetic resonance imaging, computer tomography, ultrasound, and electroneuromyography.

In addition to the Integrated Centers, another highlight innovation has been the greater digitalization and use of artificial intelligence in our services. The year 2024 was marked by significant progress in digital scheduling for brands Fleury, A+ São Paulo and Labs, enabling our customers to make scheduling without interacting with the call center. Digital acceleration resulted in improved customer satisfaction, reduced service costs and attraction of new customers who access our brands exclusively through digital channels.

We also have currently nearly 50 initiatives to apply AI in practice. These examples demonstrate that Grupo Fleury incorporates technological advancements, prioritizing use of resources and based on strong knowledge and health. This position allows us to select what really makes sense, considering the pillars of operational efficiency gain, customer experience improvement, and differentiation of our services.

Before introducing the financial highlights, I would like to remind you that we provide, in addition to accounting results, values on the same basis for the periods, as shown in the table presented on slide 11. Given that the business combination between Grupo Fleury and Pardini took place in May 23, 4Q24 captures the result of combined operation in both years 23 and 24. There are differences between the accounting and pro forma result only in the year to date.

Now going to slide 12, we have the financial highlights of the 4Q24. Showing the consistency of the delivery of results, gross revenue reached R\$ 2 billion, growth of 8.7% over the same period in 2023, with highlights for brand Fleury, which grew 9.5%. The other brands in São Paulo grew 13.5% and the brands in Minas Gerais increase of 9.1%. In addition, mobile services evolved 18.2% in the quarter, amounting to 7.7% of total group revenue. Year-to-date, gross revenue reached R\$ 8.3 billion, growth of 19.5% over 2023, 7.4% of which was pro forma. The highlights are mobile service, which expanded 20.4% and 70% increase in pro forma, amounting to 7.6% of total revenue, and B2B, which grew 43.5% in the year, 9.7% of which in pro forma.

The other brands in São Paulo grew 13% in pro forma, brands in Minas Gerais grew 10.4% pro forma. EBITDA reached, in the 4Q24, R\$ 405.5 million, 7.9% higher than the 4Q23, and reaching margin of 22%. In 2024, EBITDA was R\$ 2 billion, growth of 19.6% over 23 and 9.4% on pro forma basis. EBITDA margin for the year was 25.8%, 64 bps higher than in 2023.

Regarding net income, in the 4Q24, we reached R\$ 84 million, increase of 3.3%. In the year, we had net income of R\$ 612.2 million, growth of 32% compared to previous year, with margins of 8%, and I mean R\$ 616.2 million.

Let me now hand it over to José Filippo, our CFO, who is going to tell us in further details of our financial performance.

José Filippo: Thank you, Jeanne. Good morning, everyone.

Now let's go into the details of financial information. Slide 13, we can see that gross revenue reached R\$ 2 billion in the 4Q24, increased 8.7% compared to the same period of previous year. In the year, we reached 8.3 billion, up to 19.5% over 23, and 7.4% in the pro forma view.

Moving on to slide 14, we have observed a significant increase of 10.4% in service units in the 4Q in terms of additional revenues, with 9.1% resulting from organic growth. In the consolidated for the year expansion was 14.1% with an emphasis on acquisition of São Lucas Group in Santa Catarina. Organically, the growth was 6.2%.

Now looking at the pro forma results, the other brands in São Paulo increased 13% in the year, while the brands in Minas Gerais observed increase of 10.4% in the year. Brands in the state of Espírito Santo, Goiás, Pernambuco and Rio de Janeiro presented very good organic performance and have gained market share. Brand Fleury increased 4.6% in 2024, demonstrating solid performance in a market which is still stable.

Slide 15, C, B2B business, which increased 5.5% in the 4Q24, over the same period last year, reaching R\$ 465.7 million. The good performance of Lab-to-Lab has offset the termination of some customer contract in hospitals. Year to date, the growth was 9.7%, reaching R\$ 1.9 billion.

Slide 16, we see the performance of New Links and Health Platform. In the quarter, the increase was 3.9%, reaching 174.9 million. Very good performance in orthopedics, ophthalmology, and fertility, offsetting the greater alpha services in infusion market. In 2024, we reached R\$ 762.5 million in revenues, growth of 9.9%.

Next slide, slide 17, we can see gross profit of the 4Q24, which had 13.2% increase, R\$ 473 million, margin of 24.7%. In 2024, gross profit increase was 10.7%, reaching R\$ 2.14 billion margin of 27.9%, which is 100 base points higher than the same period previous year. This behavior is mainly explained by dilutions in some cost lines, such as the effect of some rationalization programs involving personnel and medical services, showing a dilution of 27 bps in direct material and also tests.

Now, going into slide 18, we can see that on the 4Q24, operating expenses totaled to R\$ 152.6 million, amounting to 13.7% of net revenue, 113 basis points over the same period last year. This result can be explained in part by the increase in general and administrative expenses, a consequence of some items related with compensation, such as salary additional increases and also a career plan, which are non-recurring. In 2024, operating expenses reached R\$ 945 million, amounting to 12.3% of net revenues or dilution of 51 base points over the same period in 23.

Next slide, moving on to slide 19, we see that EBITDA increased by 7.9% in the 4Q24, reaching R\$ 405.4 million, margin of 22%, in line with the same period the previous year. In the quarter, this result reflects the increase in gross margin compensated with greater relevance of operating expenses. In the year, EBITDA increased 9.4%, reaching R\$ 1.98 billion, margin of 25.8% over the performance of 2023.

Moving on to slide 20, we can see our net income grew 3.3% in 4Q24, reaching R\$ 84 million, net margin of 4.6%. Excluding the amortization of the balance with the combination now with Grupo Pardini, net income was R\$ 95.6 million, margin of 5.2%. In 24, the net income was R\$ 616.2 million, net margin of 8%, which means 32% higher performance over 23 or 80 bps in the net margin.

Moving on to slide 21, we see that CAPEX investments amounted to R\$ 210.6 million in the 4Q24, 4.8% over the same period in 2023. Expected acceleration as we have expected. In the year, CAPEX totaled R\$ 488.1 million, 80% above that observed in 2023.

Slide 22 shows operating cash generation, which reached R\$ 563.6 million in the 4Q, growing 33% as a result of increase in EBITDA over the previous year. In the year, the increase was 34.1%, reaching R\$ 1.93 billion, which represents cash conversion of 97.4% of EBITDA.

On slide 23, we can maintain leverage of 1 times net debt over EBITDA as a result of increased cash generation and higher EBITDA, which is very appropriate for this level of high interest rates. With this level of leverage, which is below our limits of our covenants.

Slide 24, we can observe the amortization schedule of debentures, financing lines, and acquisitions of Fleury Group, showing our robust cash position in relation to our obligations. Throughout the year, through new fund raising for paying current debts, we have extended our average maturity from 3.5 to 4.2 years, and we have reduced our average cost in 46 bps, which is the position at the end of the 4Q24. We still have a healthy debt profile with no concentration immaturities.

Before we start the Q&A session, I would like to hand it back to Jeanne to close the presentation. Thank you.

Jeanne Tsutsui: Thank you, Filippo. The 4Q24 served as a milestone on the end of a year of great achievements for our Grupo Fleury. The integration with Pardini was extremely important in our history, consolidating our position as a reference in diagnostic medicine in the country. Throughout the process, we have captured operational synergy as planned, strengthened our service network, and expanded the complementarity of our businesses.

We closed 2024 with consistent growth and disciplining costs and expenses, which resulted in EBITDA margin expansion and 32% increase in net income over 2023. We had strong operating cash generation, cumulative cash conversion of 97.4%. We have also maintained our discipline in capital allocation with healthy ROIC and higher than in 2023. And with that, we can continue to improve opportunities of market share gains in all our growth avenues.

We have robust capital structure, we've reduced debt levels and good financial debt management, which is essential to face the moment of high interest rates. We are committed to the discipline execution of our strategy of strengthening the Diagnostic Medicine core and a unique ambulatory care value proposition. Therefore, we are confident in achieving Grupo's Fleury ambition to increasingly strengthen ourselves as one of the health leaders in Brazil. That's going to be done through increasing the complete integrated and sustainable solutions in the specific journey of health and well-being of people.

Finally, I would like to thank the trust of our customers, partnering doctors and shareholders in 24, the support of our Board of Directors, the dedication of the leaders of the group, as well as the engagement of our 27,000 employees and doctors, who are the basis of our success. Thank you very much. Let's now start the Q&A session.

Question and Answer Session

Rafael Elage, XP: Good morning, Jeanne. Good morning, Renato, Filippo, and all participants. Thank you for taking our question. I have two questions. First, it concerns the level of denial. We've seen a stability quarter over quarter, but we would like to understand better the origin of that, if it was concentrated or distributed in the quarter, and what we should expect ahead, thinking for 2025. That's my first question.

The second question concerns the performance of some regional centers. We've seen a higher level. I understand that this is probably due to the acquisition of São Lucas, but I would like to hear about other effects with this line, maybe some changes in terms of strategy in some specific regions or a calendar effect, anything that you might share with us.

Jeanne Tsutsui: Thank you, Rafael. Concerning the level of denials, you can see stability. In the 3Q24, the level was 1.4, now 1.3, somewhat above the previous year of 23, but I believe that throughout time, we have stabilized our strictness in terms of processes, receiving cycles, negotiations with health care insurance, and we haven't

been observing changes. The origin is very diffused indeed. In terms of denials, with increase of loss ratio, we've been discussing frauds, and now health care insurances are much stricter, and we are getting really adapted to all of that. But we don't anticipate many changes. I believe that this level is what we expect to operate in. Of course, we would like it to go lower and lower, but at right now, we don't know what it's going to be and whether there's going to be further reduction. We are doing our part very well with structured processes, we've made internal changes of the team that deals with the receiving cycle which responds directly to Filippo, our CFO, and we believe that we are going to maintain very good partnership with our payers.

Concerning the performance of our regional centers, yes, there is the acquisition of São Lucas. It was our first step in the region of Vale do Itajaí, in Santa Catarina, an area of high-income population. We are very well-positioned there, which is important. By the end of the year, we've talked about Confiante in Campinas and the region. So throughout time, we've been making strategic acquisitions that position us quite well in regions with high-income levels.

The other regions, some of them deserve to be highlighted, state of Espírito Santo. We joined the state by the acquisition of Bioclínico, which has been performing quite well and has gained market share. We believe that our discipline, maintaining good quality of services, very good customer service, very good relationship with local physicians and paying sources, will take us to consistent growth. Thank you, Rafael.

Felipe Amâncio, Itaú: Hello, good morning. I have two questions also. First about brand Fleury. We've seen an interesting acceleration of the brand. I know there is the impact of the comparison basis, but I would like to understand your perspective for the brand in 2025 after its improved performance in 2024.

The second question about profitability, I would like to understand margins for 2025 as there are a number of moving parts, additional synergies of Pardini, different mix, denial levels. I would like to see what you expect in terms of profitability.

Jeanne Tsutsui: Hi Filippo. Good morning. Thank you for the question. Concerning brand Fleury, we've seen a very good performance in the 4Q, 9.5% increase. We've said in the 3Q that the comparison basis also has a role to play. In the 3Q, there was a question about expansion of Fleury brand of 1.2, the comparison base was 10.4 from the 3Q23. Now in the 4Q, we've shown better performance, 9.5% of the brand, compared to growth in the 4Q 23 of 4.6. Brand Fleury is mature, 99-year-old well positioned in the premium market in São Paulo with high market share has maintained very good relationship with requesting physicians in terms of satisfaction, indication, references. Our levels are quite high. We have also maintained a differentiation of our brand Fleury, new integrated medical centers, expansion of products and service portfolio. We've been growing with mobile service, even in the mature brand.

But it's important to emphasize that it grows 4.6% in the year because there is a premium market which is stable in terms of number of beneficiaries. So we gain market share in the market and it's a significant market share.

For 2025 – and this is more guidance, of course –, we are going to maintain the differentiation of brand Fleury using retrofits to increase revenue per square meter wherever possible, improving our levels of services, our welcoming, supporting care and relationship with the medical community, really setting us apart by offering integrated products. We have a number of integrated medical centers with brand Fleury.

The Center of Endometriosis and Neurology, which were opened in 2024, will go through maturation, but it's a brand that has maintained its vitality and strength, especially thanks to our medical team and the team that works with us. Very good perspectives in a brand which is quite mature.

Concerning profitability, I would like to hand it over to Filippo, who can bring further details.

José Filippo: Good morning, Felipe. We have no guidance and no commitment with numbers for margins. But what I can tell you is we expect to maintain our current pace. a perspective of expansion of margins as we've been doing, because we expect increase in revenues is not associated with an unfavorable mix for the margin, however, expansion means that we can dilute fixed costs and benefit from that.

In addition, our programs of efficiency and cost reduction are still moving ahead. We have very strong discipline with that. We observe weekly all the programs and initiatives of cost reduction. In general, that's how we expect to do it. It's always good to bear in mind that even though revenues seems to be unfavorable in terms of mix to the margin because of all the factors I mentioned, it also has a favorable side of it, which is ROIC, another important metric that we monitor.

Some business lines that bring in more revenues need smaller investments to reach the same goal. It's a mix of all the businesses of the Company and the growth of each of the parts. That's how we anticipate 2025.

Felipe Amâncio: Great, thank you.

Joseph Giordano, JP Morgan: Hello, good morning. Thank you for taking my question. Let's try to talk about gross margin. There was the effect of some seasonality. How do you expect to see the progression of the margin from a qualitative perspective by business units, also because the brand Fleury has grown and probably there was an effect of mix in the margin.

And still talking about Fleury brand, how do you see the pressure of paying sources? There was an increase, an average increase throughout the year, but some premium health care insurance plans are maybe splitting business between you and other business premium brands. So do you see any pressure over your average ticket or the chance of obtaining results?

I know that you don't buy supplies in dollars, but some of the supplies inevitably are related with dollars. So do you expect to see any price differences there?

Jeanne Tsutsui: Thank you for the questions, Joseph. I think you've put it quite well. We've been extending our gross margin, and this is a result of discipline and how we

monitor our profitable margins and actions. We have very close relations with our leadership team so that we can gain efficiency. We have all efficiency gain programs, but also another example is digital scheduling, for example, all the investments that we've made in digital, and it has brought concrete benefits. We have started scheduling in our brand A+ São Paulo, now we have in A+ São Paulo, Labs and brand Fleury.

This sets us apart. It attracts new customers, digital customers, and it also increases efficiency. Use of scripts with artificial intelligence in mobile services, it has been expanding as well. We've seen 18.2% growth in mobile services, but year pro forma was 17% increase in mobile operations, and we have also benefit in efficiency thanks to the scripting tools.

So as you can see, we've been working with the challenge of a business mix somewhat different. Brand Fleury amounts to 25% of the total revenue of the group. It's been growing, but there are no businesses together. You've been talking about other business lines which have different margins, but throughout time gross margin has been increasing thanks to our discipline and the way we control our costs and expenses. They are different margins indeed, but over time, they gain efficiency in all our business lines.

Concerning the pressure of paying sources, we work with outpatient services. prevention, monitoring of chronic diseases, avoiding high-cost events. So we bring integrated solutions to paying sources. We work with healthcare insurance companies. With increased costs with health, there are some initiatives by co-pay companies, but we have to bear in mind that brand Fleury is based on diagnostic solutions, high quality service levels, highly recommended by physicians. And the Integrated Centers for high complexity diseases offer a complete diagnostic solution. And therefore, a patient that has a specific condition wouldn't be lost in the system, which would require additional tests.

So in terms of sustainability, it is a value proposition, which is quite clear. Premium market is very resilient. The differentiation tends to be perceived, and this is why Fleury brand has maintained its resilience throughout time. And this is exactly what we are going to keep on offering, not only in our units, in mobile services, but also with the differentiation I've mentioned.

To talk about currency rates, I'm going to hand it over to Filippo.

José Filippo: You see, we don't have direct indexation on dollars. Most of our suppliers, whenever there is any connection with international prices, they already give us the Brazilian bill. So there is no direct correlation with the current rates. Of course, if we have tougher foreign exchange rates, this is going to impact costs, we know.

So we manage our procurement, especially considering the fact that volumes have been increasing, which favors some positive negotiation. But directly, we have no immediate correlation with foreign exchange purchases that are made in foreign exchange.

Joseph Giordano: Thank you.

Renan Prata, Citi: Hello, good morning. Thank you for taking my question. Quick follow-up about profitability. You've shown our G&A showing a seasonality and increase, but I

would like to know more qualitatively what you expect for G&A in 2025. Is it going to be similar to what you had in 24 or do you expect to have further dilution? Anything else? Do you expect to have any reduction in reagents, materials, something that would impact your gross margin? Thank you.

José Filippo: Thank you, Renan. We've talked about that, uh, G&A for the 4Q, but these were some adjustments related with salary adjustments and also some adjustments to the profit-sharing plans, we had to make some adjustments which impact the last quarter. But I think it's important to analyze the whole year. It was 9.9% of the total revenue, something which would be more reasonable to consider. All profitability programs that we've described are going to be impacted and are going to be perceived. We might have some possibilities of gain, but this is how we see it.

Now concerning additional costs, we are going to follow closely inflation rates. We've just talked about foreign exchange rate, which is not directly correlated, but might impact prices in future contract negotiations. But we are going to manage that at each negotiation, always considering the leverage of the size of our Company and high volumes.

Nothing different from what we've done historically. This is how I would understand G&A for the upcoming year.

Renan Prata: That's great. Thank you.

Ricardo Boiatti, Safra: Good morning, Jeanne, Filippo, participants. My first question concerns your mobile services. Can you please tell us more? This is a product that has been increasing significantly. I would like to understand the perspectives ahead. If you could please tell us more about the growth that you delivered in 2024. Is it based on increasing basis of users or is there an effect of any mix of high added value tests or the mobile platform per se?

Secondly, I would like to hear more about the regulatory affairs. What are the points being discussed? What about the perspective of outpatient services, considering the discussions in the regulatory agent levels and how that can impact your businesses and your operations.

Jeanne Tsutsui: Thank you, Boiatti. Thank you for the questions. Concerning mobile services, as we pointed out, it is something that has been increasing throughout time. We've been providing mobile services for many years, especially in the brand Fleury in São Paulo. With pandemics, it expanded to all regions, and in 2024 we had 20% increase, 70% increase in pro forma, and every quarter we've been observing consistent growth.

There are two aspects to be considered: We've been expanding our basis of users and test mix, especially in brand Fleury, where we have a penetration which is quite high, we extended the offer of services. In addition to clinical labs, some other tests, polysomnography, blood pressure monitoring, heart rate, 24-hour heart rate monitoring. So we've been increasing our services.

Our penetration in mobile services is different in all different regions. We still have got room to grow, and we can also gain more efficiency in organizing the mobile services. I've just mentioned the example of artificial intelligence in developing the script, and also in preparing the routes of the mobile services. We can have better use of the time of our mobile service providers by making better routes.

We've also been using our own centers as a hub to reduce the travel distance of our teams. We believe that mobile services still have room to grow and to maintain very specific level of services. Our NPS for mobile services is very high. The experience of customer in terms of convenience and quality of service have been maintained.

Concerning regulatory issues, there is a public consultation by the private healthcare agency, it is a public hearing for the inclusion of new healthcare plans, including outpatient plans. So I believe we are just in the beginning of the discussion. There's still so many questions, and data have to be further analyzed for a private healthcare, and the impact of any new service would have in the universal healthcare system, as you asked in Brazil. There is a technical assessment that has to be made, a discussion of how it should be. This discussion has just started, public consultation opened on February 18, there are still 45 days for further discussions. And this is something that has to be done.

At Grupo Fleury, we have a very clear understanding. Any incorporation, any introduction of new technologies or services have to be carefully made considering sustainability of the system at large, and primarily, maintaining its long-term. It is health as a necessary service, it has a number of challenges of access and sustainability, and decisions have to be well-considered before they are made. And this is what we've been observing, and of course, monitoring it very closely. Thank you for your questions.

Ricardo Boiatti: Thank you, Jeanne, thank you for your excellent remarks.

Flávio Yoshida, Bank of America: Hello, good morning. I have two questions. One concerning Novos Elos (New Links). It's been growing actually, but in terms of representativeness in terms of revenue, it has maintained its 8% level. You said you wanted to get to 15% of the revenues, but it hasn't. So what has happened? Are we still within the same strategy? Why was the growth not as robust as expected?

Secondly, concerning the mobile services – presenting good results, actually –, do you have any expectations of expansion of services? Is it going to be strong in this year? Because you need no credentialing, right? Especially of brand Fleury. Have you transferred already major volume or is the growth just resulted of geographic expansion and reach?

Jeanne Tsutsui: Thank you, Flávio. Concerning Novos Elos, we had a consistent growth throughout the year, 10% growth in Novos Elos. In the 4Q, the growth was somewhat smaller, 3.9%. But Novos Elos is something recent, we started through acquisition of services, then we started developing our own organic growth. Novos Elos has got to a 10% total share of our revenues, but with the business combination with Pardini, which has brought 2 billion from Diagnostic Medicine, the percentage over the total revenues

of Novos Elos went back to an 8% share, even though there has been growth, and more than, for example, the service units.

So, we really believe that Novos Elos is a very promising avenue of growth. We are providing services that talk about population aging, medication infusion, and also orthopedics. In medication infusion, there are more services being offered by the market, but we're still very confident, we have a team that can develop also new products in general, but also with a possibility of ramping up with the units that we've opened for different specialties.

As a perspective, Novos Elos is going to keep on growing, very promising, and it's important to say that it complements the outpatient solution of patient. It's a sustainability solution to our healthcare insurance companies. Strategically, it's extremely important. And throughout time, we are offering consultations, diagnosis, and outpatient treatment. And this is why it's so important.

Concerning mobile services, I believe we've said a lot. An important point that we have to emphasize is that mobile services requires credentialing. But once you are credentialed and all our services are credentialed with healthcare insurance companies, we can expand the routes to reach customers which are in different regions of the city. So the routes are essential, and we have to make the appropriate routing. And once we have credentialing, we can offer services at greater convenience of our customers.

But we expect to keep on growing with our mobile services because the penetration of mobile in all the different regions is something heterogeneous. In some of the regions we have higher penetration and in others we can still see possibilities of growth, and this is why we believe mobile as one more avenue of growth.

Flávio Yoshida: Thank you.

Maurício Cepeda, Morgan Stanley: Hello, everyone. Thank you for taking my questions. I have some more structuring questions. I know that you've been over these points, but looking ahead really, because we can see that you have a growth trend, regardless of what happened in the 4Q, but I can see more potential of growth in B2C, mid-tier, Lab-to-Lab, which has been growing quite significantly, and Novos Elos has not grown recently, but structurally it has been showing good growth despite lower margins.

So what do you anticipate ahead? How is the business going to look like? What's going to be the margin trends? It seems that you have this opportunistic situation of optimizing costs, and you've been doing that for a while. I believe that you've already captured most of the obvious, easy, hanging fruit, so to speak.

My second question concerns complexity management. There are some businesses, for example, Health Platforms, which already has revenues, but lower revenues. Novos Elos has strong diversification. So have you been making the analysis of high complexity, the trades of maintaining this business as opposed to focusing on the avenues of growth, which seem to be more solid and impacting. So how have you been analyzing that?

Jeanne Tsutsui: Thank you, Cepeda, for your questions. Filippo has already said that, but I'm going to emphasize the rationale that we are going to get, of course, not being a

guidance. The diversification of revenues has brought a challenge; dealing with businesses that grow, but with structuring smaller margins, but the return on invested capital is very similar. We need less investment in complex units, in imaging equipment, to have the business running.

Throughout time, we've been seeing structuring opportunity of gains of efficiency, in addition to the everyday management, which is through digital tools and infrastructure of technology, which enables capturing efficiency at different levels. And this is something that is going to be obtained throughout time.

Our perspective is that at the same time we gain in diversification, and it brings resilience in terms of diversification of payers and businesses, as there might be quarterly variations, businesses growing more in one quarter over the others, but all in all, we have consistency. Increase in volume helps us dilute fixed costs, also opportunities of B2C, of growth in the intermediate level, where we have lower market share and we are capturing market share, important to emphasize that.

Lab-to-lab has opportunities of technical areas and growth throughout time, and Novos Elos, which has a structurally smaller margin but very good ROIC. And this setup the consistency of top line of margins that are healthy and where we can see structuring gains of efficiency but also investment needs return on capital, for example, and we can see improvements there, it really makes us realize that we have a strategic positioning and a capacity to execute these initiatives, which is very well-structured.

You mentioned complexity management. We have the leaders of business units that analyze B2C, or Lab-to-Lab, or Novos Elos. They are the, let's say, officers, the superintendents of these units, they have very careful analysis, they consider consistent growth with discipline, considering all parameters, and transversal integration of the journey, which gives us a competitive differential.

The offer of integrated services, technology provides integration, and this is going to really help us get a part and be positioned as part of outpatient integrated services. This is the vision that we have, and I hope I have answered your question in terms of structuring changes. Thank you.

Maurício Cepeda: Thank you. That's very clear.

Caio Moscardini, Santander: Hello. My question concerns Lab-to-Lab. I would like to understand about the competitive environment, what you've been observing. And a second question concerning CAPEX, what are you thinking in terms of percentage over revenue?

Jeanne Tsutsui: Hello, Caio. Thank you for the questions. Lab-to-Lab started from further structuring. Pardini was a reference in Lab-to-Lab with over 8,000 labs in 1,200 cities. The service had been built through our time with efficient logistics and use of processing. It is really an important strength. With the business combination, we got into an area of expansion of portfolio, taking our portfolio as Fleury Group, some tests that we used to have in our portfolio to the Lab-to-Lab structure, the opportunity of offering that to labs which were already our customers, and also a new positioning of

communication. And we can see that with very good eyes. We believe we can keep on expanding Lab-to-Lab.

Labs, and there are many all over the country, tend to outsource their processing. This is the potential for growth of Lab-to-Lab. You talk about competition, we know there are some very competent players of Lab-to-Lab in the market. But the fact that we have client labs outsourcing services used to be 25%, now the rate of outsourcing the services is about 30%. And with new products, services and technologies in the market, a small lab does not necessarily can catch up. So we can offer that and capture their additional demand.

Yes, there are other players in the market. In the past, the position was tougher. It was a price war. Now we can see stability. All players have realized that price adjustments are required to maintain the quality of services. We have very positive perspective concerning Lab-to-Lab.

CAPEX, Filippo, please.

José Filippo: Well, Caio, concerning CAPEX in 2024, we had R\$ 488 million invested, 47% of which was associated with IT and digital initiatives, and the other half maintenance, new equipment, and expansion of more physical space in the units. It amounted to 6.4% of the revenues, net revenues. Compared to the previous year and what we showed you, we just have accounting results, but if we consider pro forma with Pardini had it been there in 2023, CAPEX would have been 6.4, which is the same as if we consider the revenues.

Therefore, looking ahead, I expect it to be maintained at this level, between 6% and 7% of revenues, reference to be followed, and most of the initiatives were digital IT initiatives – and Jeanne emphasized the importance for us to gain more profitability and efficiency by using systems and tools –, but at the same time, investing in renewal of our devices and improvement of our units.

So we've been working with 6.4 in 2024, that's what we achieved, and this is a reference to be considered looking ahead.

Caio Moscardini: Great, thank you. Happy holidays. It's carnival, actually.

Eduardo Resende, UBS: Good morning. I have two questions, both about B2B. First, hospitals. In the quarter, you've experienced the impact of the termination of Syria Lebanese contract, even though you closed other contracts. Have you seen any trend of internationalization of the hospitals, internationalization of services in the hospital, or is it a one-off?

Concerning Lab-to-Lab, with a challenging macroeconomic scenario, do you think there would be higher volumes coming from labs that would have more difficulty to extend? So these are my two questions.

Jeanne Tsutsui: Thank you, Eduardo. Concerning B2B, we have Lab-to-Lab and also hospitals. So, B2B means 24% of our total revenues. Lab-to-Lab has been increasing consistently. Quarter-over-quarter, there are some comparisons to be made. The 4Q23,

there was also the benefit of toxicology test because of changes in legislation. But in general, we've been observing consistent growth.

Concerning hospitals, it's a continuous cycle of commercial relationship with different hospitals. We are present in over 40 hospitals, some contracts are terminated, but others are started, are signed in the 4Q. We discontinued our operation at Hospital Syria Lebanese, but other hospitals signed with us, especially Hospital Santa Joana, Pro Matre, Santa Maria, and some other hospitals of UNIMED, it is a constant cycle of negotiations that make sense, very robust business unit where we can really deliver differentiation.

I don't see a trend of internationalization. These are individual decisions. Some hospitals prefer to follow one model, whereas others prefer to outsource services. It has always been like that.

Concerning Lab-to-Lab, I think you brought a very interesting point. To be able to process for small labs, it's easier to just run our routine platforms, but for some others, such as immunology, hormones, or genome, or those that have smaller volume, you need technical capacity, and depending on the test, you also need additional investments to acquire the processing platform, which is different from the other routine tests.

So thinking about cost of capital – and this is something considered by many labs –, the fact that we have well-structured areas, we can be very competitive in providing processing of these tests, including processing of new tests. We have a Research & Development area that develops and validates new tests, and we can offer them to our partnering labs. There is a win-win situation there. This is why I believe there is a trend throughout time of outsourcing more and more tests, which is a positive perspective for growth of Lab-to-Lab in general.

Eduardo Resende: Great. Thank you very much.

Emerson Vieira, Goldman Sachs: Good morning. I have two quick questions. First, I would like to hear from you about the curve of synergy with Pardini. You've had merged for nearly one year and a half, and I recall that you had some estimates of having a capture curve of 60% at the end of the first year and 80% in the end of second year? I think we are halfway, right? I would like to hear more about that. So at what stage are you in terms of this curve?

And a second question concerns the receivables days, quarter over quarter. Has it been stable? In terms of seasonality, some health care insurance companies tend to postpone some payments. So what have you been observing in terms of receivables? And that would be, of course, impacting cash.

Jeanne Tsutsui: Hello, Emerson. Thank you for the questions. Emerson, you've got a point. When we closed the operation of combination of Pardini and Fleury, in May 23, we had set a perspective of capturing synergy during the three-year period. 220 bps incremental would be in the first year, 85 in the second, and 95 in the third. And we have also said that 90% concerned cost and expenses. It's important to emphasize that we have executed all our plan of execution and integration very well-we structured with

periodic meetings. We had over 60 initiatives which were led by executives, and we've made all the planning during nine months so that we could get to the numbers.

The execution that we've made since the closure of the operation May 23 to the end of 24 was as planned. All initiatives were executed, the capture of synergy was following what was planned and we are aligned with what we have announced because the whole time we would structure our planning while the antitrust authorities were reviewing that.

It's important to emphasize, Emerson, that capturing synergy is a result of the integration which we consider to be successful. The cultural integration, process integration. We are one single company now, there are still some synergy captures to be made that had been part of planning. Some contract of suppliers, we knew it would take some time to negotiate because we analyzed what would be the most optimal time, some contracts were longer. We are on track of our plan of integration and our plan of capture of synergies, as we had announced.

Concerning the average date of receivables, we had a stability of this period. 77 1Q, 75 2Q, 75 3Q, 75 4Q. In other words, we've been maintaining that stable. There was an extension of the average payment terms. I think we are very well structured in this issue. Before the business combination, because Lab-to-Lab has a different kind of dynamic of course, so in 2024 we can see the stability after the combination of business with Pardini.

Days are stable and the whole time we work to have more efficiency in terms of working capital. And the stability is quite positive in our opinion.

Emerson Vieira: Thank you. Have a great day.

Operator: With that, we close the Q&A session. I would like now to hand it over to Ms. Jeanne Tsutsui for her final remarks.

Jeanne Tsutsui: Thank you all very much for your participation in one more of our calls.

Our unique strategy of offering outpatient solutions and our discipline of execution make us really provide value to all our stakeholders. We are a stronger, resilient company, fully recognized for its medical excellence, a good position in science, technology, innovation, national company, focused on operational efficiency.

Our financial structure, which is solid, and our clear guidance makes us able to reinforce the position of Fleury Group as one of the leaders in healthcare in Brazil.

I hope to see you in our next call of the 1Q25. Have a great afternoon. Thank you.

Operator: The earnings release call of Group of Fleury is closed now. Thank you very much for your participation. Have a great day!