



## **HAPVIDA PARTICIPAÇÕES E INVESTIMENTOS S.A.**

CNPJ 05.197.443/0001-38

NIRE 233.000.392-71

### **MATERIAL FACT**

**HAPVIDA PARTICIPAÇÕES E INVESTIMENTOS S.A.** (B3:HAPV3) (Hapvida or Company) in compliance with current regulations, hereby informs its shareholders and the market in general that, on this date, has entered, through its wholly owned subsidiary Hapvida Assistência Médica Ltda., into a purchase and sale agreement for the acquisition of shares representing 100% of the capital of the health plan operator Premium Saúde S.A. (Premium Saúde and Transaction, respectively), in line with its national expansion and consolidation strategy.

Premium Saúde has a portfolio of approximately 125 thousand health plan beneficiaries located mainly in the metropolitan regions of Belo Horizonte/MG (65 thousand lives), Brasília/DF (13 thousand lives), Montes Claros/MG (9 thousand lives ) and in the Triângulo Mineiro region (5,000 lives) which are currently served by an accredited network. In the metropolitan region of Belo Horizonte/MG, it has about 3% market share. Approximately 93% of beneficiaries are on collective plans (average ticket of R\$ 130) and the rest on individual plans (average ticket of R\$ 200). Premium Saúde recorded total revenue of R\$ 143 million in the last 12 months (base June/20) and consolidated MLR ratio of approximately 78%. Premium Saúde also has 10,000 dental plan beneficiaries, 5,000 of which are located in the metropolitan region of Belo Horizonte/ MG and 4,000 in Brasília/DF.

After the conclusion of the Transaction announced today and the acquisition of the Promed Group (announced in September) - both subject to regulatory approvals - Hapvida will reach 13.0% of market share in the municipality of Belo Horizonte and 14.3% in the metropolitan area, which would represent a total market share of 8.2% in the state of Minas Gerais, with more than 420 thousand health plan beneficiaries.

The company's own network in the state of MG will have 4 hospitals and 7 primary care clinics arising from the acquisition of Grupo Promed, in addition to the Mário Palmério Hospital in Uberaba/MG. There is also a hospital under construction in Uberlândia/MG, which is scheduled to open in the second half of 2021. The robust assistance infrastructure will allow the Company to verticalize the service provided to Premium Saúde beneficiaries, accelerating the expected synergy gains. The Transaction, in this sense, is absolutely synergistic.



The acquisition price (Enterprise Value) is R\$ 150.0 million, from which the amount related to the variations in Premium Saúde's net debt and working capital will be deducted on the closing date. This amount may also be reduced, due to the price adjustment resulting from changes in the portfolio of beneficiaries at the date of completion of the Transaction.

The conclusion of the Transactions announced today are subject to certain precedent conditions including the assessment and approval by the National Supplementary Health Agency (ANS) and the Administrative Council for Economic Defense (Cade). Finally, the Company clarifies that the Transactions should not generate a right of withdrawal, in accordance with the applicable legislation.

Fortaleza, Ceará, November 9, 2020

**BRUNO CALS DE OLIVEIRA**

CFO and Investor Relations Officer