



Conference Call Transcript

Hapvida

1Q26 Results

Operator:

Good morning, everyone. Welcome to Hapvida's first quarter 2026 Earnings Call.

Joining us today are Mr. Luccas Adib, CEO, Lucas Garrido, CFO and VP of Finance, and Felipe Nobre, VP of Strategy, M&A and IR.

For those requiring simultaneous interpreting, please click on the Interpretation button and select English. This event is being recorded and will be available on the company's IR website together with the full earnings release. You may download the presentation by clicking the chat icon. Please refer to the disclaimers regarding this disclosure at the end of the presentation.

During the first part of the event, all participants will have their microphones muted. We'll then move into the Q&A session to ask a question. Please click on the Q&A icon at the bottom of the screen and enter your name, company and language to join the queue.

I will now turn the floor over to CEO Luccas Adib, who will begin the presentation. Please proceed.

Luccas Adib – CEO:

Hi everyone. Good morning. Thank you for joining us for another one of our earnings conference calls.

In our last conference, I thanked Dr. Cândido, Jorge and Cândido Jr. Hapvida's controlling family, who have now become majority shareholders after once again doubling down on the company. As recently disclosed.

On this call, I'd like to start with a few brief acknowledgments. I'll start with our newly elected board of directors and thank them for the trust placed in me to become Hapvida's CEO. I take on this role with honor and humility and a deep sense of duty, discipline and commitment to our noble mission providing health care to over 15 million Brazilians we serve every day.

I also want to new board members Tânia, Eduardo and Bruno. It's great to have board members with solid backgrounds and complementary views who will certainly contribute to better decisions and stronger governance. As I said before, our company has a defined majority controlling block. And now our board will have more members representing the other nearly 50% of capital, our minority shareholders. So, I speak for myself and for the new management. We're eager to learn from you and tap into all possible expertise on



this transformation we're implementing at Hapvida. A warm welcome to all of you and you can count on us.

To our former board members, José Galló and Guga Piani, two legends and friends. My gratitude cannot be expressed in a few words. You taught me so much. You taught Hapvida and you contributed immensely to our improvement. I hope you'll always stay close to us. My heartfelt thanks on behalf of the entire company.

Now, moving to the Key messages Let me set the tone for 2026, which is very clear to all of us. Nonnegotiable consistency and quality in every delivery, smart austerity in resource use and absolute integrity in relationships with our entire ecosystem, customers, providers, employees, partners and the market. We need to prioritize what truly drives results and adapt execution to each market and region's reality, especially the less mature and more complex ones.

Our organizational design needs to adapt in terms of approach and flow. We are not in a state of total war from Clausewitz era, but in a guerrilla warfare insurgency. And we're losing some battles in smaller regions which combined hurt our bottom line. It's useless to have a large army with complex mobility in a battle on a rugged, uneven coastline. And we've known this since the Persian wars to handle local specificities. We need a broader geographic dispersion strategy and fewer decision-making bottlenecks through responsible decentralization to the front line. But decentralization and autonomy only work with seniority and performance, and I'll talk more about that later.

Our operation, though national, is impacted by important local practices and competitive dynamics. Understanding and improving our management model will help us operate better. We have examples to support this, including from companies we've acquired. So, we'll start with some experiments in the interior of the state of São Paulo, in the south, and in the state of Minas Gerais. It's important to reinforce that we'll keep working to restore and strengthen the company's image, revisiting our value proposition, optimizing operations and seeking or regaining greater credibility in some places. That requires accelerating a culture increasingly grounded in data and supported by technology. We have strong assets and highly skilled people to do this.

Before diving into the quarterly results, I'd like to share with you our progress on the turnaround plan, still qualitative for now, and some initiatives already underway.

On governance and people, we made an important move, building a senior team with very clear missions. We have 10 new VPs. The mix balances continuity and renewal, keeping leaders with deep business expertise, operations and industry knowledge, while bringing in executives with complementary skills for the new cycle. And this aligns with our plan to increase talent density across the company, with activities now cascading to N2 and N3.

Still on this front, Felipe Araujo, our new VP of Human Resources, is redesigning our management practices to make us leaner, as well as conducting a broad cultural review with external support. For now, we're implementing the following pact among us. First,



straight talk, no hard feelings, always putting Hapvida video first and therefore our members. A good problem is a problem on the table. Second, evidence management is based on evidence and on contextualized data for better decisions. Opinions matter for building hypothesis, but large-scale decisions must be based on data and that's a motto we'll hammer on every day. Third, flawless basic delivering our services with obsessive excellence. We need to do simple things for our customers better than anyone else in the world. And I'm convinced we'll win because we have the entire ecosystem at our disposal to navigate proactively from the insurer to the entire healthcare apparatus. With over 850 units across Brazil.

This cultural work combined with the federalization of AI through the creation of product builder roles so product people that are fluent in AI area by area will drastically change how we work, and people are already feeling it. Besides Felipe, I'll mention a few other examples today, but I'll cover each VP and their missions in future conferences.

I'll start with Nico who join us to transform our user experience area, reviewing the end-to-end journey, bringing over a decade of experience from Magazine Luiza and other respected companies. He'll be the voice of the customer at the C-Level as the VP of customers. His mission to ensure NPS, customer service and complaints stop being friction symptoms and become levers for proactive operational improvement so we can better control churn. And we're mapping the entire system, and we want complaints to fall even further in coming quarters.

Daniel Vidotti, our CIO who's worked at major online retailers and has extensive expertise in digital transformation of companies with complex systems, joins us to modernize our tech stack, focusing on user experience and cleaning up the back office after years of system integration. He must also build the foundation for data and AI to become pervasive across the company. The obsession with impact and metrification of tech projects is something we're sharing up front and will demand heavily from the tech area. Every real invested need a clear return it will use being the developer with the most tokens in cloud code. If you're not the developer with the greatest customer impact.

Fabi Reschke, with deep legal expertise at Sul America team and Telefonica, joins us to restructure our legal organization, moving to a more analytical, proactive and solution-oriented approach focused on reducing friction and taming litigation, which still hurts us on multiple fronts. We need to do things differently to expect different results.

On commercial and operations. We've been advancing very diligently in revising our commercial strategy, focusing on retention and on rebuilding our sales dynamics. Here we revisited our entire product and pricing architecture in Sao Paulo Capital. We simplified our product grid and made structural changes to our relationship and alignment with the broker channel. As a result, we've already seen the first positive signs this first quarter.

Our retail segment and the São Paulo metropolitan region showed the best net adds since the merger. It's still early to celebrate, but it's clearly encouraging. Now our goal is to scale this turnaround. We're actively revisiting our corporate channel approach. And we have



begun replicating the retail tactical model used in the São Paulo metropolitan region to other regions. Southern Brazil, the interior of the state of São Paulo, Rio de Janeiro and Minas Gerais. And we'll do this across our markets, including clear opportunities in the north and Northeast, which are already more mature. We're creating a model to track market by market dynamics, generating alerts so that we can act in real time with local heads more nimbly. This reduction in our response time will put us in a better position.

On our operations, we've begun a deep scrutiny of our units guided by our best internal benchmarks. We're rebalancing the specialty mix in our own service network, ensuring physical allocation is anchored in a quantitative profitable view capable of supporting excellent care where it's most needed. And we're already seeing improved perception in some regions coupled with cost reduction. The best of both worlds. And we're also mathematizing some fronts. And we'll do this in nearly all areas that depend on a quantitative view. We're bringing mathematicians to the team, and it will become increasingly common for each VP to work with their own quantitative analyst and product builder in the company's next stages. And I personally believe strongly in all of this. A symbiosis of industry experience, quantitative approach and technological federalization with governance and accountability all aimed at flawless basics.

We have also adopted a more pragmatic stance on our cost structure. We're revisiting historical practices that have created some disproportional financial burden relative to the value perceived by members. This includes relaxing some rigid operational targets and rationalizing telemedicine use. Just one example and our logic is very clear. We'll eliminate high-cost inefficiencies to protect margins and reinvest part of those savings in operations. This is a routine test to see how much R\$1 can generate an NPS bonus and target where the greatest impact lies. And we have already started some of these tests.

On controls and capital allocation, we're conducting an initial review of our geographic footprint and our entire asset portfolio. I reinforce no topics are set in Stone, our scrutiny has a clear goal optimize allocation, focusing on return on invested capital, simplify operations without attachments and accelerate the company's deleveraging even without any short-term liquidity pressure. This may mean selling some operations and closing others, even if temporary. This work seems simple, but it's quite complex.

Let me briefly explain region by region. We are plotting the spread between our own network, contracted network, SUS assessment, addressable market, member locations, our network locations, utilization profile and competitive regime. This uses a framework for micro, meso and macro regions accounting for members commuter displacement within urban geography. This is what Felipe Nobre is doing on the strategy front and some regions will contract more than verticalize simply because it makes more sense for that region or moment in time, especially for higher ticket procedures.

In others, we'll close units that are close by combining diagnostic units and clinics, changing the care mix composition. In others, we'll build walk in emergency units and contract the back end. In others, we'll vertically integrate more and so on. Each region and channel will have a specific design. We just won't mess with what's working well.



I also reinforce that we still believe and the data show that as a general rule, vertical integration will always be the path to take. We just need to account for local and product specific issues and a moment of very high capital costs in Brazil.

We're also discussing a possible new brand architecture, and we'll keep you posted as decisions are made. We're relying on the best experts in the country on this topic. We may have news on this front beyond already having finalized the upcoming launch of Notre Dame Saúde as our premium brand in São Paulo and Rio de Janeiro initially.

Before diving into the numbers, it's worth saying that this was a clean quarter, no material, no recurring effects on our results, which allows us to read operational dynamics more clearly. I'll cover three central themes before detailing the results.

First, as members, we recorded net losses of 44.5 thousand members in the quarter, concentrated mainly in Sao Paulo state. Though far from our potential, it's an improvement versus last quarter and versus 1Q25. Gross sales showed good growth explained by the efforts I mentioned earlier. On the other hand, cancellations remain high. Reducing churn is one of the company's main focuses right now, and it involves several areas. On the commercial side, the new portfolio, adapted to each region has made and will make our value proposition more competitive, also facilitating retention market by market.

Meanwhile, the member journey review, combined with improvements to our systems and healthcare processes will allow us to mitigate frictions and increase perceived quality. It's worth mentioning lower net losses in the corporate and SME channels in the south, especially the São Paulo metropolitan region. The center west and Rio de Janeiro regions showed positive performance, growing to nearly 34,000 members in the corporate segment. As for the North and Northeast, performance is in line with typical seasonality, no noticeable changes in the competitive landscape or a typical competitor moves.

We know that the issue of life isn't stabilized yet and we keep on working on additional levels that are in development. As I mentioned earlier, we're advancing with a more granular view of our operations, market by market, contract by contract, allowing us to see more clearly where we're creating value and where there is still a mismatch between product channel and value proposition. It's a work in progress which should naturally lead to a more selective stance in some segments and a more competitive one in others, always guided by a disciplined economic view, prioritizing revenue and margin over net adds. Revisit this topic in greater depth throughout the year. Now the second topic I want to cover is MLR. I have three main highlights here.

First, the medical invoice carryover from Q3v25 due to high utilization volumes that quarter which negatively pressured Q4 25. This did not repeat Q1 of 26. This effect was normalized December with seasonally typical utilization levels. Second, January and February saw utilization aligned with the seasonal pattern contributing to the quarter's performance and the third is forward looking and I want to be transparent.

March brought a significant intensification in frequency well above the seasonal pattern. April has shown some cooling, partly explained by a favorable holiday calendar, but still



above its seasonal pattern. Because of this, we remain somewhat cautious on healthcare costs for the next quarter but encouraged by what we deliver this first quarter.

Finally, the last topic is cash. This was a quarter of significant cash generation after two weaker quarters. We recorded net cash generation of 478 million BRLs with an EBITDA to operating cash conversion of 81% in the quarter. There was disbursement of roughly 200 million bureaus for the final payment of a 2014 obligation inherited from the merger without proper provision, which we adjusted last year and that now is definitely closed. I'm referring here to the arbitration of Dr. Paulo Barbanti.

Were it not for this payment, we would have reduced net debt in the quarter by close to that magnitude. As Lucas will detail later. We also had controlled cash income tax and CAPEX, which should be around 700 million BRLs for the year. Both Contributing to the company's free cash flow.

And we redeemed roughly 1.4 billion BRLs that was held as restricted cash with ANS. This amount now fully becomes part of our free cash. Let me now introduce you to Lucas and Felipe Nobre, people with whom you will have straight contact from now on.

At the end of the year, I had 42 direct reports. So, when we created the new org chart, I decided to change things a bit. The CFO chair is now focused on pricing, actuarial and with a stronger back office. The CFO also works with commercial and operations in addition to understanding and reporting numbers. He's now a partner of the company focused on P&L and this chair was taken over by Lucas.

Now M&A sell side and others are headed by Felipe. Now Vidotti is the CIO of technology and Lucas Santos is the CTO reporting to Vidotti. Lucas Garrido has been helping me greatly since the end of 24 when we started to design a project together which did not move forward but will now move. In Q3 him and the BCG team got together to help us redesign our commercial strategy. He already knows the company quite well and will start at full steam. He's going to be a great CFO for the company.

Felipe Nobre, most of you already know, so he needs no introduction. He was one of the people who taught me the most and helped me the most throughout the years. And I'm sure that the two of them together will be great. It's an honor to have you. I hope you're happy in those positions, just like I was and more successful than I was and that you face less turbulence.

Finally, I'd like to thank Guilherme Nahuz, our IRO. He helped me in all of my speeches, and he was not aware of this part. He's going to be the VP of Operations, helping Cidéria with management action plans and analytical approach. A new challenge for him and I'm sure he'll be great at that. Guilherme, no one can imagine the complexity of what you faced in recent years. Being the IRO is explaining the unexplainable and pleasing everyone. Thank you for being so patient and teaching me so much. We'll continue our partnership, but differently now. So, I also want to acknowledge many important people for the



company who are now either changing position or scope or have left the company. I want to thank you all from the bottom of my heart.

Now I turn the floor over to Lucas who will detail the results. Thank you so much.

Lucas Garrido - CFO:

Thank you, Lucas. It's an honor to be a part of this moment and contribute to a project with a very concrete purpose. I am committed to giving you my very best. Our company has an important path ahead of us.

I'll now go through the other highlights of our results, starting with Slide 4 net revenue totaling 7.9 billion BRLs in the quarter, down 22 million versus Q4.25. This mainly reflects the loss of 140,000 lives in Q4.25, which fully impacted Q1.26, partially offset by the higher average ticket size. In the top right, average ticket is up 7.3% year over year driven by price pass through and maintenance of existing contracts contributing with 8.3% and a mix effect between additions and cancellations minus 1%. With a narrower gap between gross sales and cancellation.

We passed through 10.5% compound rate adjustment, 12% for more mature regions and 9% where we face greater competition. This compound rate adjustment is the change in nominal revenue after passing through versus previous month's proposition, not versus the prior year. At the bottom, the net member movements by region and segment that Lucas already mentioned. We can talk more about that during the Q&A session.

Moving to slide 5 MLR, Lucas already covered the main drivers for the quarter and intra month dynamics affecting the current quarter. It's worth mentioning IBNR, which was higher this quarter to reflect the cost increase from 2H25.

Now slide 6 cash admin expenses net of G&A and share based compensation in the top box we see that cash admin expenses excluding one off effects in both quarters were practically stable sequentially, though with movements across line items. We had an expected increase of roughly 23 million BRLs in personnel expenses due to the return of the variable compensation provision that had been zeroed out in 25 because targets were not met. This was partially offset by lower civil positions around 10 million BRLs and nearly 8 million BRLs in reduction in ANS fines.

In the litigation context, expenses with contingencies in taxes were 3.6% of net revenue in line with the prior quarter before one off and the reclassification of legal claims to cost. New net asset freezes added up to 224 million BRLs, up 37 million quarter on quarter, reflecting a worsening scenario due to more preliminary injunctions received in the period. This is under renewed review as the tools we've been using haven't been sufficiently effective and we're now operating under a new approach.

Adjusted EBITDA was 803 million BRLs in Q1.26 benefiting mainly from lower MLR. Excluding one off events in Q4.25 and Q1.26, sequential EBITDA growth would have been 42% adjusted net income of 244 million BRLs reflecting the factors already mentioned.



Slide 8, we highlight the significant sequential CAPEX reduction from 419 million BRLs in Q4.25 to 190 million BRLs in Q1.26. This amount still includes the completion of ongoing projects and has a stronger seasonality in Q1, we reiterate our CAPEX expectation of up to 700 million BRLs for the year with no significant new unit opening planned.

At the bottom of the slide, net Debt decreased from 5,183, BRLs to 5,165, a nominal reduction of 18,000,000 BRLs even after the final payment of the NDI seller of 200 million M&A, adjustments of 10 million and receipt of 42 million from the sale of Hospital Nova Serrano. Excluding this one off the reduction would have been 187 million. Leverage increased to 1.38x EBITDA impacted by the mentioned events and LTM EBITDA to close I want to reinforce our commitment with you our shareholders.

Hapvida is a mature company. We know about the short-term challenges, but our company is focused on returning capital, structure turning and above all qualified access to health care and profitability. We have a solid balance sheet, the necessary scale and the team and discipline to deliver tangible results. Thank you for your trust. Let's now move to the Q&A session.

Operator:

We'll now begin the Q&A session. When your name is called a pop up to unmute your mic will show on your screen. Please unmute and ask your question. We kindly ask you that you ask a maximum of two questions per person and that they are asked all at once.

Let's go with our first question from Vinicius Figueiredo with Itaú BBA. Vinicius, please unmute and proceed with your question.

Vinicius Figueiredo – Itaú BBA:

Hi everyone, thank you for taking my question. I would like you to talk about the commercial agenda. Luccas talked a lot about that in his introductory remarks, but I've been talking to investors and I always notice a concern and you've been talking about a product grid repositioning and you have a close relationship with brokers but also greater comparability of the services offered by you or by the competition and also some adjustment that might be needed to adapt the product to the reality of the industry.

So how can we see these two things talking with contract profitability and if you can explore whether this can be offset by the growth you saw in SME, which has better margins, is that enough? The SME gaining more share of your portfolio, is that enough to equalize the numbers? And I also want to talk about frequency.

In recent quarters we saw a chart about per capita tests, per capita appointments, and in Q3 and Q4 we saw a peak. How did that behave in the beginning of 26? Was that due to internal or external factors? Thank you.



Luccas Adib - CEO:

Hi Vinicius. I will ask Lucas Garrido, our CFO, to talk about that because he was heading this work with BCG and he knows this topic quite well. So, I'll ask him to answer.

Lucas Garrido - CFO:

Hi Vinicius, thank you for your question. Well, I think that you actually gave us part of the answer. There is a margin variation between retail, SME and corporate channels that give scale to the company, but they have a different margin profile from individual and SME. So, the adjustment of price and product by market, they have undergone adjustments to make products more competitive in some locations like Sao Paulo, but they're still positive about the company since they are products that usually have higher margins than other channels. So, at the end of the day, even with the price adjustments to make the product more competitive, there should be a net positive impact on the company's EBITDA and bottom line.

So, all these adjustments are based not only on the expectation of more growth and volume, but all changes are also focused on growing with a profitability that makes sense for the company. So, we are always very cautious with our margins in each specific channel. Now there is another point about these products that had price adjustments. These were products that were not selling because of the mismatch between prices and network against the competition.

So, 0 times 0 is 0. So, this adjustment helped us, you know, offer lower prices, but in absolute numbers. This will actually, boost our margins. Now, about MLR and Q1. This quarter, on average, just like we reported in our earnings release was good, but it was divided into January and February had an upper MLR that was impacted by the carryover from 25 and a better seasonality in January and February. So, these months were smoother. In March, MLR went up, but then in April we saw a normalization of that rate. It's still hard to predict what the MLR will be for the coming quarters, but we think that the estimates we gave you are quite reasonable.

Vinicius Figueiredo – Itaú BBA:

Great. That's very comprehensive. Thank you so much.

Operator:

Our next question is Leandro Bastos, from Citi. Leandro please unmute your mic and ask your question.

Leandro Bastos – Citi:

Hi everyone. Thank you for taking my questions. I have two questions here on my side. First, about the average ticket. We see two drivers here, individual is accelerating quite well sequentially and pricing in corporate is moving sideways. I see that there are many moving pieces here between price list and so on. But what can we expect moving forward in terms of pricing by channel? That's my first question.



Now my second question. In injunctions we see an acceleration of new freezes and you also talked about a new approach because the number of injunctions is still high. So can you tell us a bit more about the flow of new injunctions and what has been done to address this and what you are expecting to move forward in terms of injunctions? Thank you.

Lucas Garrido- CFO:

Hi, this is Lucas Garrido again, thank you for your question. I will answer the first and then Adib will answer the second about average ticket.

Like I commented in my previous answer, average ticket pricing by channel and by region is done separately. And it takes into account the competition, our footprint in that location, the competitive landscape. So, you have to look at the whole picture. Our expectation going forward is that we keep on passing through prices and individual.

And for the corporate contracts, the tickets are moving sideways, but we see many drivers impacting here, customers, channels, products and so on. So again, this discussion should be done on a case by case, market by market basis. But there's more competition in the corporate channel. But this is a channel that brings more volume than retail or individual, so yes, but indeed we have more competition there, so we don't expect major ticket increases going forward.

Luccas Adib - CEO:

Hi Leandro, this is Luccas Adib. Now I'll answer your second question. Lucas Garrido will answer the easy questions, and I'll answer the hard ones.

Just joking. Anyway, I will comment on what we've been seeing. There has been a worsening in this scenario with a higher number of injunctions this last quarter. And we have been implementing some different analysis in order to understand the whole thing. So let me give you some examples, things that we have been doing more and more and other measures that we plan to implement in the future.

First, a structuring work of having a closer relationship with the organs here, trying to raise awareness about legal cases in healthcare.

And also, now Fabi has joined the team with new ideas, new thesis and new firms, helping us with a good level of automation in the discussion of subsidies, which aims to give more standardization and sophistication to the way we address these topics. So, we expect to make a few changes this year, and we have been changing the way we deal with these cases.

Now, we also have a new team working on improving our relationship with physicians, working on physician loyalty, both in our own network and third-party network. And Pinto is going to help us with this and there are many projects being redesigned and restructured here so that we can control this better in the front line. And also, we have now embedded a level of quantitative analysis to interpret the optimal statistical points of these moves.



So, we haven't changed a few things, but we did change others. There is a new blend of topics that are being addressed and our goal is to achieve different results. So, yes, there was a worsening here in this quarter in the number of injunctions. We still face some challenges here, but we have many different initiatives underway, and we expect to control this better from now on.

Leandro Bastos – Citi:

Great. Thank you so much. Have a good afternoon.

Operator:

Our next question is by Joseph Giordano with JP Morgan. Joseph, please unmute your mic and ask your question.

Joseph Giordano – JPM:

Hi everyone, good morning. Good morning, Luccas, Lucas and Felipe. I have two questions.

First, about the commercial front and growth. Have you changed this division? Are you now working closer to the broker channel?

And my second question is about your expense structure. In the opening remarks you said you're now more pragmatic when it comes to using your own hospitals or third-party hospitals. Can you tell us about the different difference in cost and also, capacity expansion? Can you talk about that moving forward?

Luccas Adib - CEO:

Thank you. Joseph, can you please explain the first question? I think we had audio problems

Joseph Giordano – JPM:

About the PPO strategy. Do you have a person dedicated to that? Has your strategy changed? How are you working with your broker channel?

Luccas Adib - CEO:

This is Luccas Adib. Joseph. Our view for PPO is that this should run in synergy with our operations. This is a profitable product for the company. It has an asset light penetration capacity. Operators usually make money with this product. And our focus was not to have a highlight on this product at the company because we wanted to. It was actually losing lives in the last three to four years since the merger. And now we are considering a different approach, a light-based approach, as I said, starting with a broad reference network in the cities to send the customers to these reference centers. This should be done in São Paulo, Rio and other regions in the country.

And we expect this to generate a good dynamic in terms of ticket gross sales and retention of the legacy PPO portfolio that has about 30,000 lives. So, we want to leverage this



product in those locations. We haven't lost focus. We are not a company Essentially focused on premium products. But we have to change the way we work with this asset and we see opportunities here.

Okay, now about the cost of service. We see opportunities in cost of service and our goal is to balance that with customer experience. We don't want to cut costs and harm customer experience. So, we want to adjust the specialty mix per clinic. We also want to adjust our own network. We are now making a review considering the occupancy level of certain clinics and also issues related to protocols and customer service that can reduce costs and have minimal impact on customer quality perception. So, we are either going to invest to improve NPS and quality and gain more lives or capture the lower costs. Regarding the accredited network, depending on the location and the idle capacity available, you can incorporate in your offer. And of course, it all depends on the location. In cities where we have a very high verticalization level, the more mature cities, it makes sense to continue with the verticalization move. But in locations where we have our own network, you have idle capacity from third party providers that can be leveraged, you can do that. And that makes us more competitive with prices that still make sense for us. Got it.

Joseph Giordano – JPM:

Thank you so much.

Operator:

Our next question is Flávio Yoshida, Bank of America. Flavio, please unmute and ask your question.

Flávio Yoshida – BofA:

Hi, good afternoon, everyone. Thank you for taking my question. I actually have two questions here on my side. Luccas, you talked about M&A since the announcement, the intentions or the sales targets for the company. Have you been talking about divestments? Have you mapped an interesting number of players that could be interested in acquiring those assets? Or are you considering selling any more relevant assets?

And about fines, ANS fines, that's still at a high level. It has shown some improvement compared to Q4, but it's still quite high compared to the whole year 25. So, what can we expect in terms of ANS fines? Thank you.

Luccas Adib - CEO:

Hi Yoshida, this is Luccas Adib. We're in New York at the Itau conference and that's why we do not have a video feed this time. I apologize.

Now, about ANS fines, we have to remember that there is a latency between the NIP or complaint, the violation notice, and the values impacting the results and these latencies of 18 months. So, what you see now happened 18 months ago. But our complaint level, or NIPS, dropped 40% year after year. So, the number will drop from now on. So, I just wanted to remind you about that mismatch in time between when the complaint is made and when you see the effects on our results. So, what you see from the results now refers



to about two years ago, a year and a half, two years ago. But we're committed to decreasing nips or complaints even further.

Now about capital allocation. The company continues streamlining operations significantly. So, we sold hospitals in some regions as announced and we are redesigning our portfolio, trying to reduce our portfolio in certain regions. We might shut down units in certain cities. So, this is a careful analysis to streamline operations so that we can have optimal cost allocation and a deleveraging of the company because the cost of capital is quite high. So, we want to deliver to the company faster so nobody could comment on this further. But we keep on assessing the opportunities and information to share with the market. We will do so. But yes, we keep on focusing on simplifying operations and deleveraging the company. That's one of our main priorities in the short term. Nobre, over to you.

Felipe Nobre - VP of Strategy, M&A and IR:

Hi, this is Felipe Nobre speaking. I think Lucas said it all, but this is something that happens in parallel. Although we have no liquidity pressure on our balance sheet, we've been diligently reassessing our CAPEX plan and our asset portfolio in a comprehensive way. Not only when it comes to network sufficiency, but like Garrido said, we're also assessing opportunities in our accredited network, and we are reassessing our contract base in certain locations. You know going from a specific asset to potentially a whole region, starting with those that do not have great synergy with the operations. But this is something ongoing and as soon as we have anything to share with you, we will keep you posted.

Flávio Yoshida – BofA:

Okay, thank you.

Operator:

Our next question is by Eduardo Resende, UBS. Eduardo will enable your mic so that you can unmute and ask your question. Please go ahead.

Eduardo Resende- UBS:

Hi, good afternoon, everyone. Thank you for the opportunity. I also have two questions here on my side.

First is about MLR. You talked about being cautious in Q2 and the rest of the year. Can you tell us if there is any other attention point that you've been tracking? Is it only utilization or is there an increase in complexity as well?

Now another question related to the first is that overall other players have been also more cautious about their MLR view for the year. So, can you tell us what you've been seeing when it comes to the competitive landscape? Do you see an improvement compared to what we've been seeing since the second half of last year or are things pretty much the same? Thank you.



Luccas Adib - CEO:

Hi Eduardo, thank you for your question.

I don't know you in person as well, but it will be great to get to know you. About MLR, no, we don't see a change in the procedure Mix and there's nothing in addition to frequency that can impact us here. We're being cautious because the month of March was very long and there was a natural pressure because of higher frequency. In April there has been an improvement and year over year we see that the seasonal pattern has been respected. There are some things to happen throughout the quarter.

We saw other players also being cautious in their messages. As you mentioned, the viral season was strong in February and March, especially in the Northeast. So, we have to be careful in order to strike a balance here between expectations and reality.

Now, about the competition. Yes, the competitive landscape is still heated, but we have many internal initiatives that I mentioned during the call and Lucas also mentioned. But yes, the dynamic is quite competitive, especially in the Southeast. Nothing new to add here.

Eduardo Rezende - UBS:

Okay, that's very clear. Thank you, Luccas.

Operator:

Our next question is by Mauricio Cepeda with Morgan Stanley. Mauricio, we will enable your mic so you can ask your question. Please go ahead.

Mauricio Cepeda - Morgan Stanley:

Hi, good afternoon, Luccas, Lucas and Felipe, thank you for the opportunity. I have two questions here on my side thinking about the long term.

The first is about the care cost per member. You are balancing many variables like service level, injunctions, customer satisfaction, and it's hard for us to understand what the recurring care cost or a balanced care cost per member is. I understand that PPOs are structurally different, so there is a difference between product to product. But what is your confidence level about these structural claim level by member? You know the adequate level and have this visibility changed after you made service adjustments and know that you have more intelligence on injunctions? Or could we expect a higher level of claim member?

Now my second question is about price pressures and cost pressures. We believe that the second variable is more significant and there are regulatory competitive constraints that affect your price. But since we're talking about loan contracts, how much of the prices today are already impacted by future NIPs or complaints and where can we see gaps in pricing? Do you have any gaps in data visibility or is it something that relies only on commercial execution? Thank you.



Luccas Adib - CEO:

Hi Cepeda, thank you for your questions. I'll try to be brief in my answers because we're running out of time about CPV. The industry has gone through a lot in the last two to three years, just like our company. So, how much of this is structural and how much actually depends on the season. So, we have to take into account a few points here.

Changes in consumption habits, regulatory changes and the units we opened last year impacted our costs, especially in Q3 and Q4 because many things happened at the same time. The top line was impacted. The competitive landscape made it hard for us to pass through prices. We increased network sufficiency in regions where we saw utilization acceleration. So many impacts at the same time that hurt the cost of anchorage and when we look at the first quarter, this is why I included some encouraging messages in Q1 because it's now more in line with the historical seasons. In Q3 and Q4 we suffered from all of those impacts, but in Q1 we are more in line with what we expect for this season. And that's also because we have rearranged things internally. You know, the aggregate cost per procedure and appointment after the implementation of significant protocols that we made at the company.

So, looking at the structural claim for the company, I don't see the same volatility in frequency level repeating as we had in Q3 and Q4 last year. We're being cautious in Q1 because this was the first quarter that encouraged us because it's going back to seasonal patterns. But there are things that can improve our costs. So that's about nominal CPV.

Now what about the all-in price? What does that include? What does that not include? So in the last quarters at the company we've been enhancing things internally and we included in cost elements that did not used to be included like injunctions or ANS fines because at the end of the day, migrating from a cache MLR view to a total MLR view that takes into account all of these friction elements, you know, that's our goal. So, now all of those items are part of the pricing.

But some contracts of course are at a mismatch because it was hard for us to pass through costs in Q3 and Q4 because of the competitive landscape, especially the corporate contracts which are large. And can be impacted as well. So great questions. I hope I've answered them.

Mauricio Cepeda- Morgan Stanley:

Yes, thank you, Luccas. It's clear.

Operator:

This concludes the Q&A session. The earnings release of the first quarter 2026 of Hapvida is now closed. The IR team remains at your disposal. Thank you all for joining and have a great afternoon!