

1Q24 Earnings Release



Earnings Call Presentation

May 14th, 2024 (Tuesday)

Portuguese (with simultaneous translation to English)

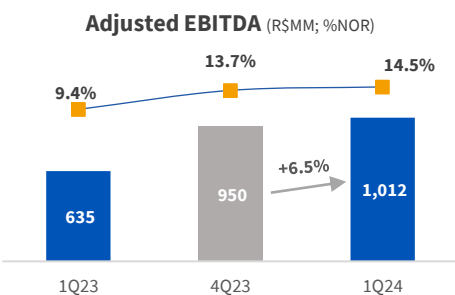
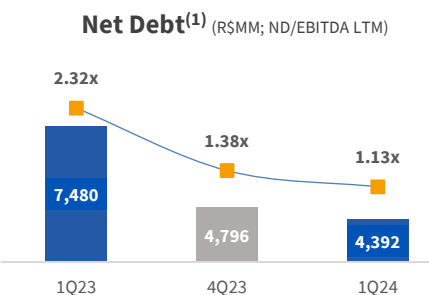
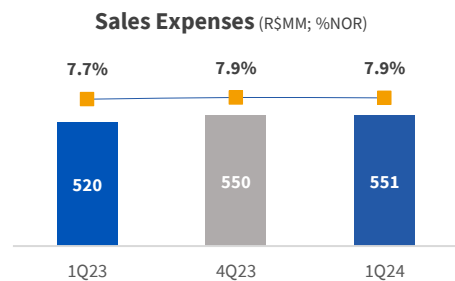
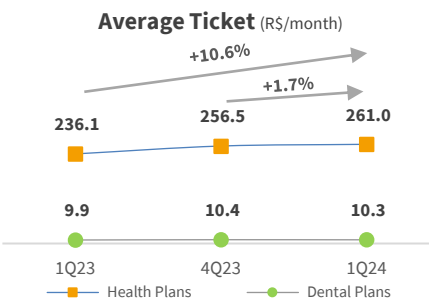
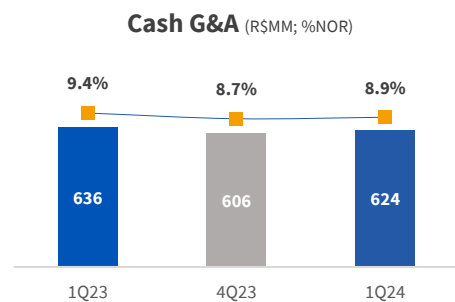
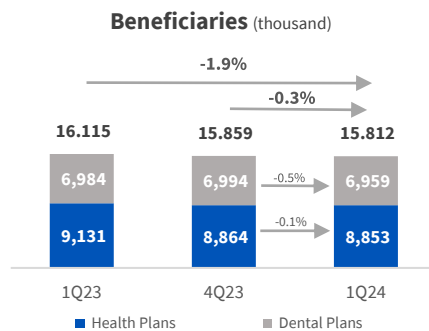
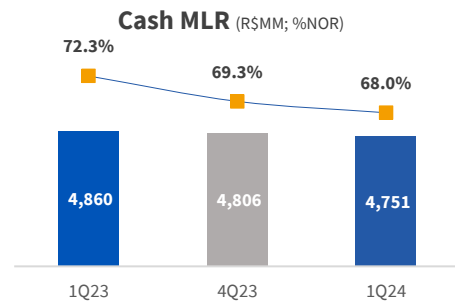
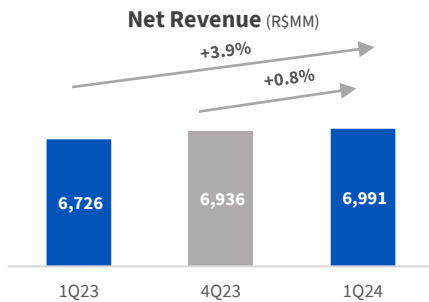
12h30pm (EDT – NY) | 1h30pm (BRT)

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Summary

In 1Q24, the company reached more than R\$1.0 billion in Adjusted EBITDA, the highest level since the business combination. This is the result of disciplined work to build an increasingly healthy portfolio with sustainable margins, while striving for a quality and efficient verticalized network. Month after month, we can see the results of our cost control initiatives, while we see our quality indicators improving.

Even in a challenging period in terms of beneficiaries, we grew our Net Revenue and had important reductions in Cash MLR. We also highlight the robust cash generation and the maintenance of the Company's gradual deleveraging process during this period.

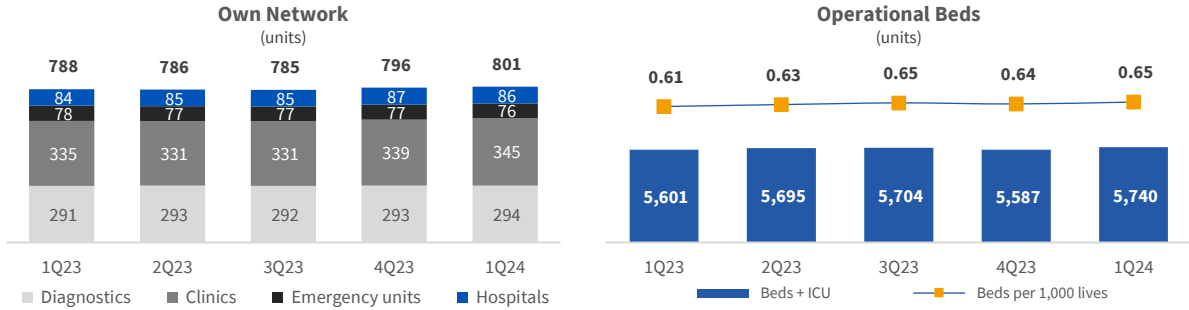


(1) Contractual covenant

Operational Highlights

OWN NETWORK

At the end of the quarter, we had 86 hospitals, 76 emergency units, 345 clinics and 294 diagnostic imaging and laboratory collection units, making a total of 801 of own service points, accessible to our beneficiaries throughout Brazil.

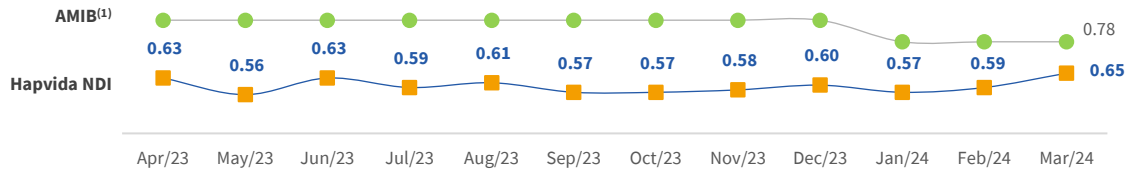


QUALITY OF CARE & CARE FOR PEOPLE

The theme of Quality of Care and Care for People of our more than 16 million beneficiaries has increasingly been the keynote of the Company's management, with major efforts contracted throughout 2023 to improve our operation, which is now in continuous integration.

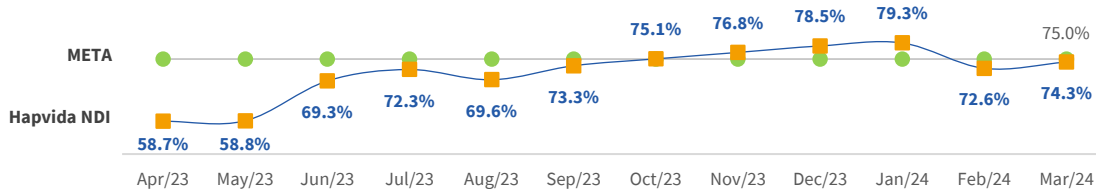
SMR - Standardized Mortality Rate in ICU

The standardized mortality ratio is the ratio between deaths observed in the study group and deaths expected in the general population. The lower the rate, the better.



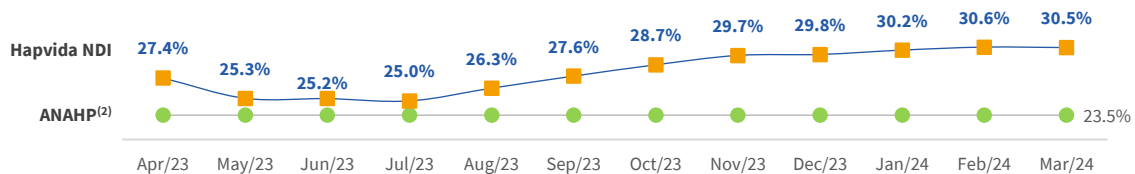
Waiting times in Emergencies

Percentage of services rendered within 15 minutes in emergencies. The higher, the better.



Natural Birth

Rate of natural birth deliveries per total number of deliveries. The higher, the better.



(1) AMIB - Brazilian Intensive Care Medicine Association (2) ANAHP - National Association of Private Hospitals

Financial Results

NET REVENUE

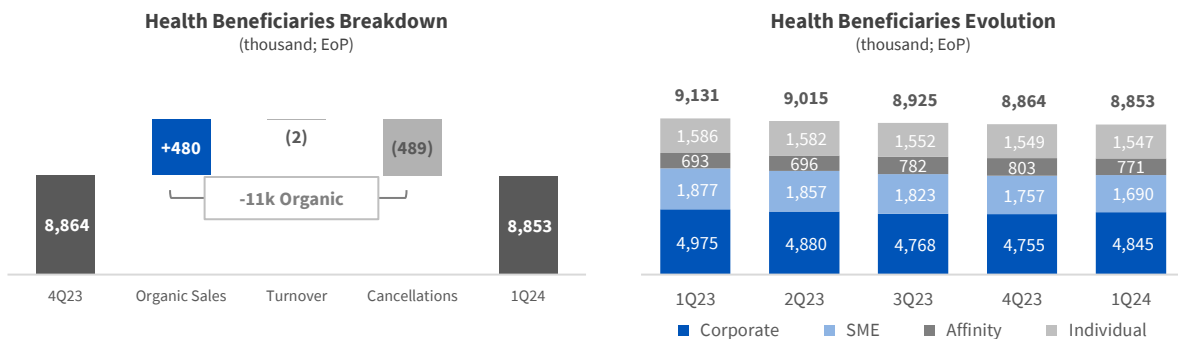
In 1Q24, Net Revenue totaled R\$6,991.4 million, an increase of 3.9% when compared to the previous quarter, benefiting mainly from the growth of the Health and Dental Plans business lines, because of price readjustments necessary for the financial balance of the contracts and the evolution of the average ticket despite the slight retraction in the number of beneficiaries and the reduction in Revenue from Hospital Services and Other Activities.

(R\$ million)	1Q24	4Q23	Var. % 1Q24/4Q23	1Q23	Var. % 1Q24/1Q23
Health Plans	6,863.5	6,759.8	1.5%	6,491.8	5.7%
Dental Plans	214.7	218.0	-1.5%	206.4	4.0%
Hospital Services	218.5	268.1	-18.5%	290.8	-24.9%
Other Revenues	-	-	0.0%	70.3	-100.0%
Gross Revenue	7,296.7	7,245.9	0.7%	7,059.3	3.4%
Deductions	(305.2)	(310.3)	-1.7%	(333.1)	-8.4%
Net Revenue	6,991.4	6,935.5	0.8%	6,726.2	3.9%

HEALTH PLANS

Net revenue from health plans totaled R\$6,863.5 million in 1Q24, a growth of 5.7% compared to 1Q23. This growth is the result of an increase in the average monthly ticket, from R\$236.1 in 1Q23 to R\$261.1 in 1Q24.

Beneficiaries



In 1Q24, we had a net reduction of 10.8 thousand beneficiaries in health plans compared to 4Q23. Among the main aspects that impacted the quarter, we highlight:

- Addition of 480.1 thousand beneficiaries, as a result of a robust gross sales quarter (294.8k Corporate, 93.2k SME and 92.1k Individual);
- Reduction of 488.9 thousand beneficiaries, reflecting the reduction of loss-making contracts (232.9k Corporate, 129.5k SME and 126.4k Individual/Affinity); and
- Net loss of 2.0 thousand lives due to negative turnover (net dismissals and admissions within existing corporate contracts).

At the end of 1Q24, the company had 418,800 beneficiaries in preferred provider organization plans (PPO), a net reduction of 22,600 compared to 4Q23, due to our strategy to rationalize this portfolio.

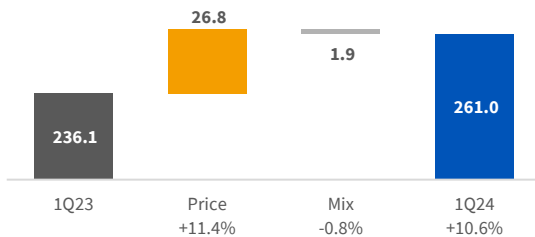
HEALTH PLANS

Average Ticket

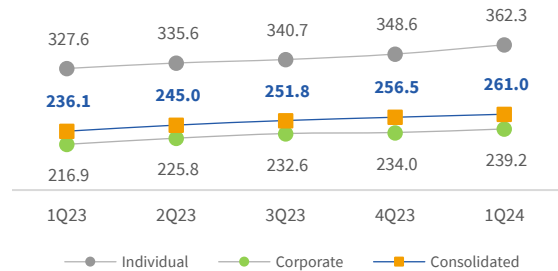
The consolidated average health ticket increased by 10.6%, reflecting the strategy of repricing and reviewing the client portfolio. The main impacts on the average ticket over the quarters are:

- +11.4% of Net Price, a result of necessary readjustments to existing contracts, partially offset by the increase of verticalization and copay; and
- 0.8% net negative impact of the mix of sales and cancellations, due to the loss of customers with a higher average ticket but higher MLR, being replaced by new customers with a lower average ticket but expected lower MLR.

Average Ticket Breakdown
(R\$/month)



Average Ticket Evolution
(R\$/month)

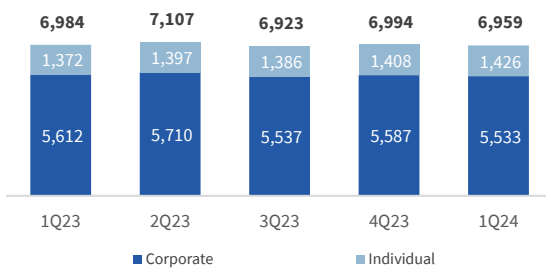


DENTAL PLANS

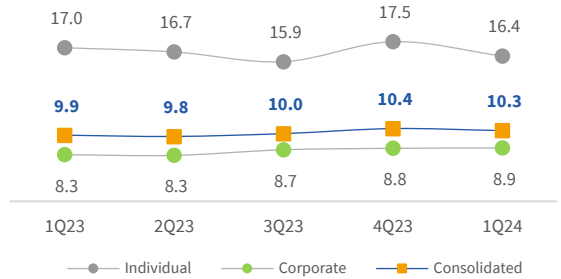
In 1Q24, revenue from Dental Plans reached R\$214.7 million, an increase of 4.0% compared to 1Q23. This was the result of an increase of the average monthly ticket (which rose from R\$9.9 in 1Q23 to R\$10.3 in 1Q24) more than offsetting the reduction of around 25,000 lives in the period.

It is important to point out that the Cash MLR of the dental plans' operation remains under control year after year, allowing for lower readjustments and competitive prices, expanding the cross-selling and loyalty strategy.

Dental Beneficiaries Evolution
(thousand; EoP)



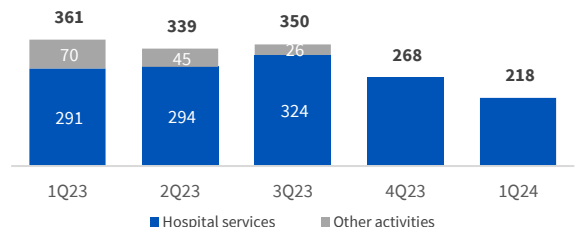
Average Ticket Evolution
(R\$/month)



Hospital Services & Other Activities

In 1Q24, revenue from Hospital Services and Other Activities reached R\$218.5 million, a reduction of 39.5% compared to 1Q23. The reductions were due to:

- Decrease of **R\$72.4 million** in Hospital Services, reflecting the lower demand in the first quarter, as well as our more selective approach in offering services to third parties, reducing our exposure to credit risk; and
- A reduction of **R\$70.3 million** in Other Activities due to the divestments of São Francisco Resgate, Maida Health and Occupational Health.



MEDICAL COSTS AND CASH MLR

Total cost of services comprises Cash Medical Losses, Depreciation and Amortization (D&A), Incurred But Not Reported (IBNR) provisions, SUS provisions, and Medical Cash Accounts as detailed below:

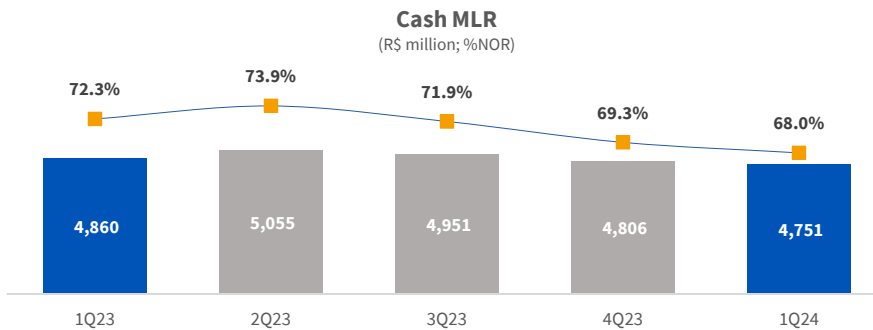
(R\$ million)	1Q24	4Q23	Var. % 1Q24/4Q23	1Q23	Var. % 1Q24/1Q23
IBNR	1.0	(41.1)	n/a	(1.8)	n/a
SUS Reimbursement	52.3	65.1	-19.6%	77.9	-32.8%
Depreciation and Amortization	112.3	109.8	2.3%	110.5	1.6%
Cash Medical Losses	4,751.4	4,805.5	-1.1%	4,860.0	-2.2%
Cash MLR	68.0%	69.3%	-1.3pp	72.3%	-4.3pp
Total Medical Costs	4,917.6	4,940.0	-0.5%	5,047.4	-2.6%

In 1Q24, we notice:

- IBNR provisions were below historical levels, reflecting the continuity of strategies to increase verticalization, especially in the South and Southeast regions, and an improvement in the profile of the cost of care in the accredited network.
- SUS IBNR reversal (within SUS Provision) was due to the reduction in reported events under SUS, reflecting a lower utilization in the post-pandemic period of Covid-19.

Cash MLR

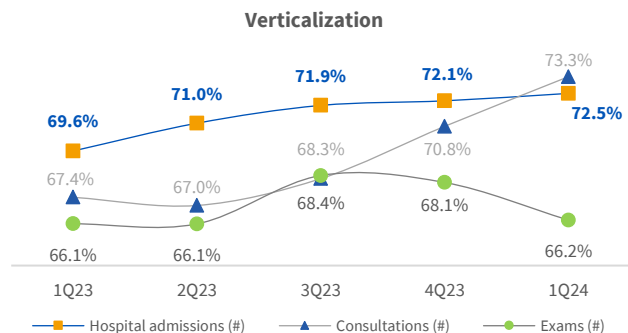
Cash MLR is the most important item in the cost of services provided and reflects the actual cost of care. It is the line most affected by cost control initiatives, increases or decreases in the level of utilization, verticalization and seasonality of the business.



In 1Q24, the Cash MLR (which excludes D&A, IBNR and SUS Provision) was 68.0%, a disciplined reduction of 4.3 p.p. and 1.3 p.p. compared to 1Q23 and 4Q23, respectively. The decrease captured was superior to the implicit seasonality and reflects a lower utilization in the period, the continuity of several successful strategies to recover our margins, and other initiatives as price readjustments, increased verticalization, standardizing protocols, optimization of the provider network and other measures to control costs.

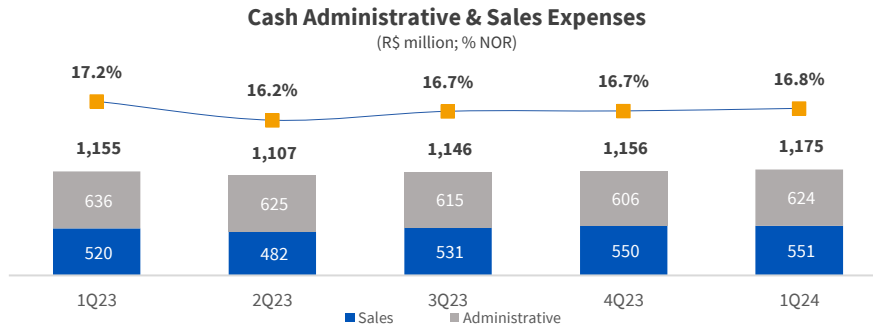
We continue to invest in rationalizing the use of our own network, resulting in a consequent reduction in our exposure to the accredited network. As a result, there was an expansion in the levels of verticalization in hospitalizations and elective consultations, leading to a consequent reduction in unit cost per procedure.

Over the months of January and February, the frequency of use was within the expected range for the period. However, in March, we saw the impact of the dengue epidemic, with a significant increase in the number of consultations and exams, which was reflected, at a lower level, in hospitalizations. These increases occurred mainly in the accredited network, which must present its invoices in subsequent months.



ADMINISTRATIVE & SALES CASH EXPENSES

Sales, General & Administrative Cash Expenses – Cash SG&A for 1Q24 amounted to R\$1,175.2 million (16.8% ROL), a dilution of 0.4 p.p. compared to 1Q23.



Cash Administrative Expenses

(R\$ million)	1Q23	2Q23	3Q23	4Q23	1Q24	Var. R\$ 1Q24/4Q23
Personnel	285.6	283.2	287.8	237.8	257.9	20.1
Third Party Services	174.2	171.5	190.3	165.3	194.0	28.7
Occupation and Utilities	77.5	72.7	72.6	93.9	68.3	(25.6)
Contingencies & Taxes	95.0	118.9	96.6	122.1	117.7	(4.4)
Other (revenue)/expenses	3.3	(21.4)	(32.4)	(12.9)	(14.0)	(1.1)
Cash G&A	635.5	624.8	614.9	606.3	624.0	17.7
%NOR	9.4%	9.1%	8.9%	8.7%	8.9%	0.2%

In 1Q24, Cash Administrative Expenses totaled R\$624.0 million, an increase of R\$17.7 million compared to 4Q23 (+0.2 p.p.).

In 4Q23, there were some one-off and positive impacts which were not repeated in 1Q24:

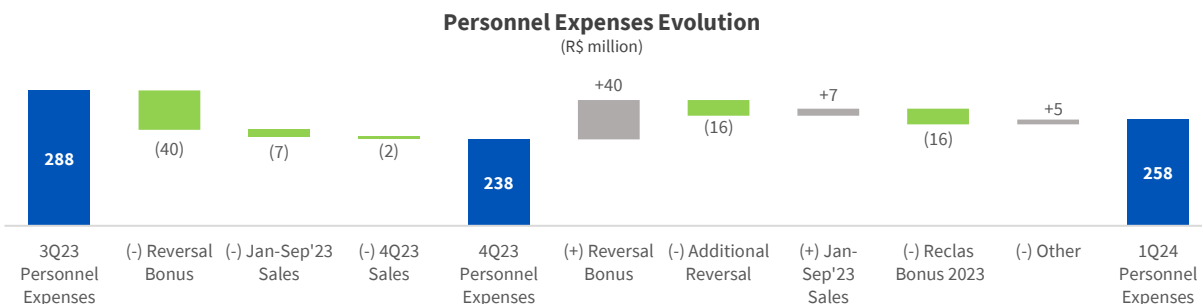
- **R\$40.0 million** related to the one-off reversal of 2023 variable remuneration;
- **R\$7.2 million** from the expense reclassification (retroactive to Jan-Sept '23) for the dental sales team;
- Extraordinary expenses on travel, maintenance and concessionaires in Location and Operation.

In 1Q24, there was a one-off reclassification of R\$16.8 million in system maintenance expenses, previously recorded in Location and Operation, now recognized with other contracts in Third-Party Services (with no retroactive effect). Additionally, the Third-Party Services line was negatively impacted by R\$14.2 million due to IT expenses associated with process implementation and systemic integration.

Finally, the main positive impacts in Personnel were:

- **R\$16.0 million** from the additional reversal of the 2023 variable compensation, following the final measurement of target achievement;
- **R\$15.8 million** from the allocation of 2023 variable compensation to costs (R\$10.5 million) and sales expenses (R\$5.3 million), which had been fully provisioned in administrative expenses throughout 2023.

These gains were partially offset by the provision for severance pay included in Other (Personnel).



ADMINISTRATIVE & SALES CASH EXPENSES

Sales Expenses

(R\$ million)	1Q23	2Q23	3Q23	4Q23	1Q24	Var. R\$ 1Q24/4Q23
Commission	321.4	306.0	334.9	332.1	315.8	(16.3)
Provision for credit losses	154.1	126.0	131.2	138.9	170.7	31.8
Marketing & Advertise	12.4	11.3	20.0	25.1	12.5	(12.6)
Personnel	29.3	34.3	33.4	43.1	43.6	0.5
Other expenses	2.9	4.4	11.7	10.9	8.7	(2.3)
Sales Expenses	519.9	482.0	531.2	550.0	551.2	1.2
%NOR	7.7%	7.0%	7.7%	7.9%	7.9%	0.0%

In 1Q24, Selling Expenses totaled R\$551.2 million, showing net stability compared to 4Q23. The main positive impacts were:

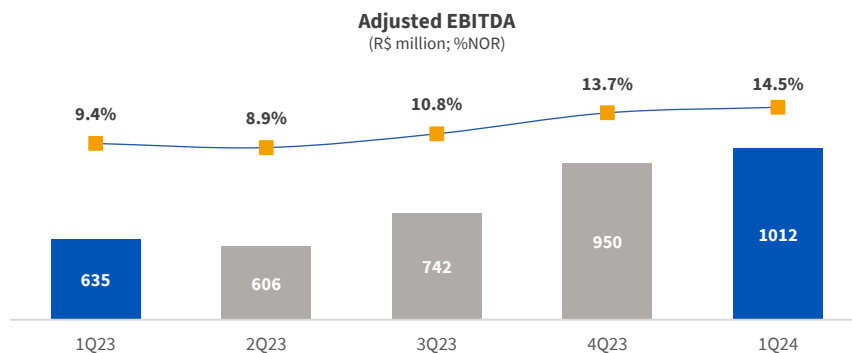
- **R\$16.3 million** in Commissions due to (i) a reduction in amortization of deferred acquisition costs because of a lower level of contract cancellations and (ii) an extension of the deferral period for Clinipam and NDI Minas Gerais after procedures standardization related to systems implementation;
- **R\$12.6 million** reduction in Marketing & Advertise, in line with the seasonality that reflects a period for preparing and planning the year's campaigns.

This was partially offset by:

- **R\$31.8 million** in Provision for loan losses (PDD) impacted by (i) R\$25.0 million due to increased rigor in our credit analysis (IFRS-9); and (ii) R\$7.2 million from a specific client.

ADJUSTED EBITDA

In 1Q24, we reported R\$1,011.6 million in Adjusted EBITDA with a margin of 14.5%, the highest since the business combination, reflecting growth of 59.4% compared to 1Q23 and 6.5% compared to 4Q23.

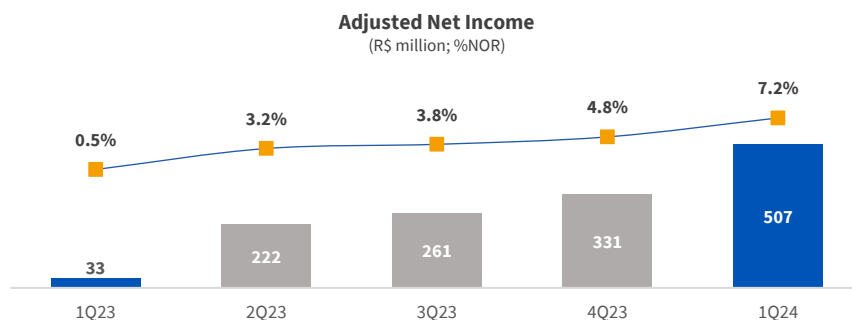


When we compare 1Q24 with 1Q23, we highlight:

- Increase of 3.9% in net revenue, reflecting the contract readjustments implemented, which were necessary for financial rebalancing, despite the reduction in the beneficiary base and the discontinuation of ancillary activities (Resgate and Maida Health);
- Reduction of 4.3p.p. in the Cash MLR, a result of intense verticalization and cost control efforts; and
- Dilution of 0.5p.p. in Cash Administrative Expenses.

ADJUSTED NET INCOME

Adjusted Net Income totaled R\$506.8 million in 1Q24, an increase of R\$473.8 million compared to 1Q23 and R\$176.3 million compared to 4Q23, including the non-recurring adjustment of R\$12.3 million resulting from the write-off of investments with the sale of Maida Health.



(R\$ million)	1Q24	4Q23	Var. % 1Q24/4Q23	1Q23	Var. % 1Q24/1Q23
Net Income (Losses)	83.3	(29.9)	<i>n/a</i>	(341.6)	<i>n/a</i>
(+) Long term Incentive Plan (LTIP) and SOP	41.9	(20.5)	<i>n/a</i>	38.2	9.5%
(+) Intangible Amortization	369.4	380.9	-3.0%	336.4	9.8%
(+) Non-recurring expenses	12.3	-	100.0%	-	100.0%
Adjusted Net Income	506.8	330.5	53.3%	33.1	1433.5%
(+) Income tax and social contribution	74.0	141.3	-47.6%	4.9	1422.1%
(+) Financial result	256.2	306.5	-16.4%	430.0	-40.4%
(+) Depreciation and Amortization	174.5	171.4	1.8%	166.6	4.7%
Adjusted EBITDA	1,011.6	949.7	6.5%	634.5	59.4%
%NOR	14.5%	13.7%	0.8pp	9.4%	5.0pp

FINANCIAL RESULT

The Net Financial Result totaled a net expense of R\$256.2 million in 1Q24, a reduction of R\$50.3 million or 16.4% compared to the net expense of R\$306.5 million presented in 4Q23.

(R\$ million)	1Q24	4Q23	Var. % 1Q24/4Q23	1Q23	Var. % 1Q24/1Q23
Income from investments	186.3	184.1	1.2%	111.5	67.1%
Late payments penalties	29.2	31.9	-8.5%	28.4	2.6%
Indexation credits - SUS	16.3	17.7	-8.0%	21.6	-24.5%
Indexation credits - Other	18.2	18.4	-1.0%	19.1	-4.8%
Derivative instruments	19.0	1.7	989.2%	0.4	5251.0%
Exchange Revenue	0.0	11.1	-100.0%	3.7	-100.0%
Other financial revenues	6.6	7.2	-7.7%	8.9	-25.2%
Financial Revenues	275.6	272.0	1.3%	193.6	42.4%
Interest on debentures and loans	(337.4)	(339.9)	-0.8%	(402.3)	-16.1%
Interest on leases	(80.5)	(86.0)	-6.4%	(51.5)	56.3%
Indexation charges - Other	(85.5)	(98.7)	-13.4%	(108.0)	-20.8%
Derivative instruments - Equity	-	(7.4)	-100.0%	(19.5)	-100.0%
Bank expenses	(8.4)	(8.1)	3.8%	(11.2)	-25.0%
Charges on Interest on Equity Received	-	(23.1)	-100.0%	-	0.0%
Other finance expenses	(20.1)	(15.3)	31.0%	(31.2)	-35.5%
Financial Expenses	(531.8)	(578.6)	-8.1%	(623.6)	-14.7%
Net Financial Result	(256.2)	(306.5)	-16.4%	(430.0)	-40.4%

Financial Revenue in 1Q24 remained stable in relation to 4Q23, rising from R\$272.0 million to R\$275.6 million. However, we observed a negative effect from the reduction in foreign exchange gains in 4Q23, which were offset by the asset side of the debt swap due to the increase in the IPCA, presented under the heading of Derivative financial instruments.

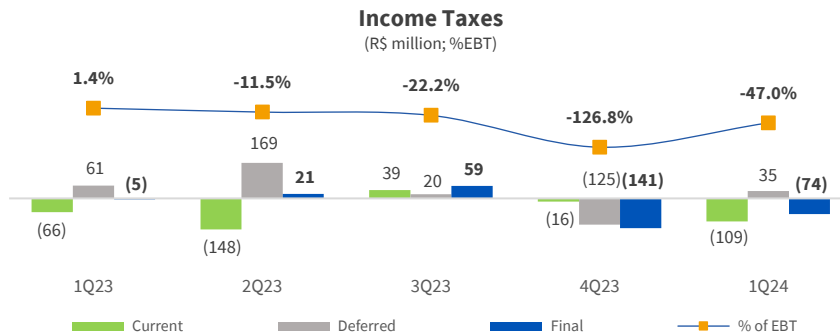
Financial Expenses reduced R\$46.8 million, from R\$578.6 million in 4Q23 to R\$531.8 million in 1Q24, mostly explained by:

- **R\$30.5 million** in negative impacts that occurred in 4Q23 and were no longer repeated in 1Q24, such as: (i) R\$23.1 million in charges on Interest on Equity received; (ii) R\$7.4 million in derivative instruments - Equity, an operation that was fully dismantled in November'23; and
- **R\$34.8 million** mainly due to a reduction in (i) Monetary Updates (R\$13.2 million), of which R\$9.1 million from monetary updates on Re-SUS liabilities; and (ii) Interest on debentures and loans (R\$21.6 million) due to the reduction of the interest rate and payment of principal.

This was partially offset by the adverse effect of the rise in the IPCA rate on the "Interest on Debentures and Loans" item. It's worth mentioning that, given the nature of this swap, the liability side of the debt is offset by the asset side of the swap, resulting in a negative effect on "Financial Expenses" while leaving "Net Financial Income" unaffected.

In addition, we observed the negative impact of R\$6.4 million in Other financial expenses, as a result of the exchange rate variation in the period.

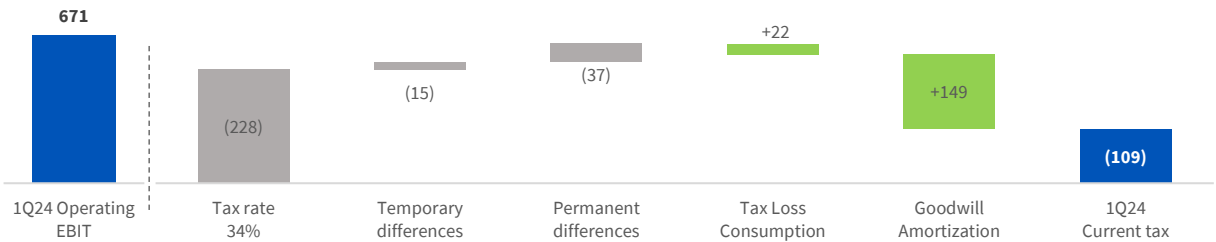
INCOME TAXES



The consolidated Income Taxes line is the result of the individual assessment of the companies controlled by the Company, including the holding company, which may show a profit or loss in certain periods, as well as the effects of eliminations and consolidations. This means that there may be a negative tax rate on a consolidated basis, but positive current income tax rates when looked at individually, for example.

(R\$ million)	Operational	Controlling	Consolidated
Current	(109.0)	-	(109.0)
Deferred	(134.2)	169.2	35.0

Current Tax - Operating



In 1Q24, the Operating entities had a Current Tax of R\$109.0 million, mainly because of the gradual resumption of operating performance, of which R\$85.4 million from the NDI vertical and R\$23.6 million from the Hapvida vertical.

The main current tax reducers in the period were the tax amortization of goodwill and capital gains from merged acquisitions (R\$149.2 million) and the tax loss consumption (R\$22.0 million).

Deferred Tax - Operating

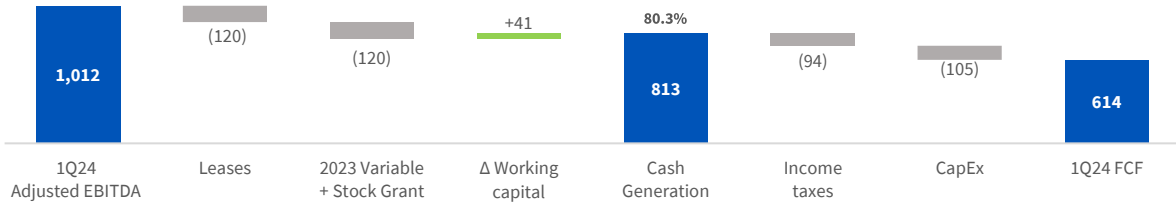


In 1Q24, Hapvida Participações e Investimentos S.A. (parent company) generated R\$169.2 million in deferred tax asset, of which R\$119.2 million in deferred tax on tax losses and R\$66.0 million on value added from the business combination with NotreDame Intermédica, which will be used after the corporate merger of the operating entities.

CASH FLOW

The company's net cash decreased by R\$132.4 million in 1Q24, from R\$7.889,9 million in December'23 to R\$7.757,5 million in March'24. This variation was due to the consumption of R\$946.6 million in principal and interest payments; and was partially offset by the generation of R\$613.9 million from Free Cash Flow and R\$186.3 million from income on financial investments in the period.

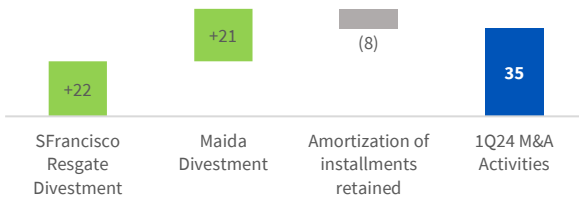
Free Cash Flow



Free Cash Flow was positive at R\$613.9 million and Cash Generation of R\$812.5 million, representing 80.3% of Adjusted EBITDA 1Q24. The main uses of cash include:

- **R\$120.0 million**, of which R\$100.0 million referred to the payment of the 2023 Variable Compensation in March, in previous years the event took place in April; and R\$20.0 million as a result of the 2021 Stock Grant Plan;
- **R\$93.4 million** in income taxes, although the current tax was R\$109.0 million, there is a shift between the calculation and the actual disbursement (cash disbursement of income taxes in January'23 referring to December'22, for example); and
- **R\$104.8 million** in CapEx, showing a gradual recovery of its normal investment levels.

M&A Activities



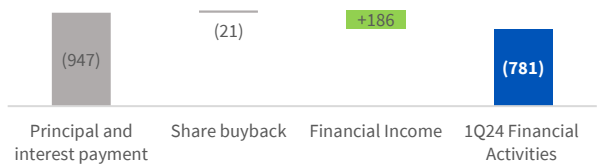
M&A Activities had a cash generation of R\$34.8 million, mostly explained by:

- **R\$21.7 million** from the sale of the São Francisco Resgate operation in August'23;
- **R\$20.8 million** from the sale of the Maida *Health* operation in February'24.

Partially offset by:

- **R\$7.7 million** of retained amounts payments from the acquisitions made by the Company.

Financing Activities



Financing Activities had a cash consumption of R\$781.0 million, mainly explained by:

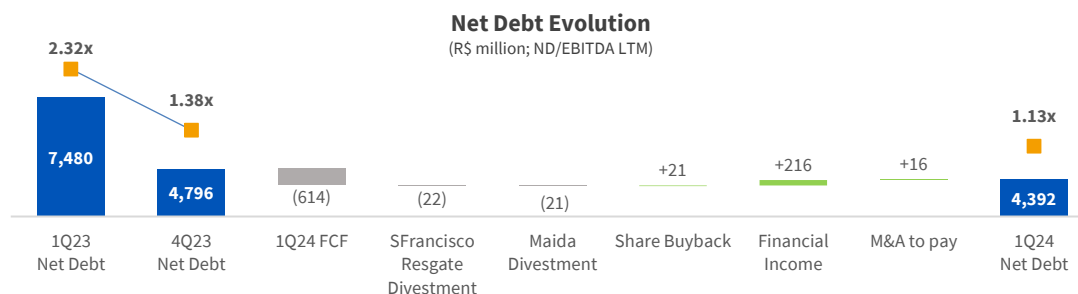
- **R\$946.6 million** of interest and principal payments, of which R\$841.3 million refers to the 4th issue of debentures, using the funds raised at the end of 2023;
- **R\$20.7 million** with the share buyback contemplated in the Plan announced in February'24.

Partially offset by:

- **R\$186.3 million** in Financial Income, a yield of 2.5% on the company's average cash, close to the CDI for the period.

NET DEBT

In 1Q24, the company's Net Debt reached 1.13x EBITDA (R\$4,392.3 million - contractual covenant), a significant reduction compared to 1.38x EBITDA (R\$4,795.9 million) in 4Q23 mainly due to (i) the Cash Generation above the Financial Result and (ii) the increase in EBITDA LTM from R\$3,482.6 million in 4Q23 to R\$3,876.2 million in 1Q24.



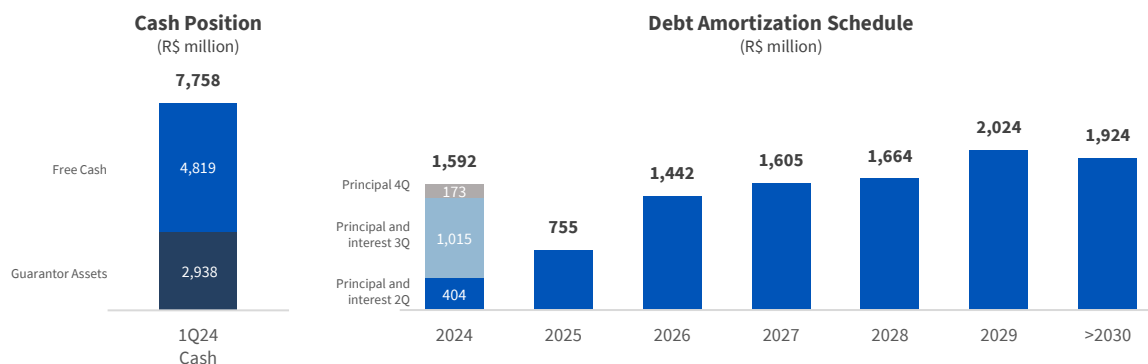
Net Debt/EBITDA LTM calculation according to the issue deeds (contractual covenant):

(R\$ million)	1Q24	4Q23	Var. R\$	Var. %
Loans, financing and debentures	10,933.9	11,526.4	(592.6)	-5.1%
Installments retained from acquired compa	1,143.7	1,110.9	32.8	3.0%
Derivative financial instruments	72.2	48.4	23.8	49.1%
Gross Debt	12,149.8	12,685.8	(536.0)	-4.2%
(-) Cash and cash equivalents and Investme	(7,757.5)	(7,889.9)	132.4	-1.7%
Net Debt	4,392.3	4,795.9	(403.6)	-8.4%
EBITDA LTM ⁽¹⁾	3,876.2	3,482.6	393.6	11.3%
Net Debt/ EBITDA LTM	1.13x	1.38x	-0.24x	-17.7%

DEBT

In 1Q24, the company used the funds raised in December'23 (R\$1.0 billion) to pay off the 4th debentures issue in an amount of R\$856.9 million. At the end of 1Q24, the company's duration (3.1 years) and cost of debt (CDI+1.56% p.a.) remained stable in relation to 4Q23.

Below is the current debt amortization schedule (Loans, Financing and Debentures).



On May 6th, 2024, the board of directors approved the company's 7th debentures issue in an amount of R\$1.0 billion, with cost of debt of CDI + 1.60% per year and expiration date in 2031 (the specific numbers were not presented in the graphic above).

REGULATORY REQUIREMENTS

Technical Provisions / Guarantor Assets

Free cash flow went from R\$4,993.9 million in 4Q23 to R\$4,819.3 million at the end of 1Q24, a decrease of R\$174.5 million. This variation was mainly due to a reduction in the company's cash position.

(R\$ million)	1Q24	4Q23	Var. R\$ 1Q24/4Q23	1Q23	Var. R\$ 1Q24/1Q23
Required Technical Provisions	(3,056.4)	(3,015.0)	(41.4)	(3,083.8)	27.4
(-) SUS Provisions (net of judicial deposits)	(1,042.4)	(1,057.6)	15.2	(1,356.8)	314.3
(-) IBNR Provision	(991.2)	(990.2)	(1.0)	(1,010.5)	19.3
(-) Outstanding claims reserve	(1,019.5)	(963.6)	(55.9)	(712.4)	(307.1)
(-) Reserve for benefit granted	(3.2)	(3.5)	0.3	(4.1)	0.8
Assets	7,875.7	8,008.9	(133.1)	5,957.0	1,918.7
(+) Cash and financial investments	7,757.5	7,889.9	(132.4)	5,565.9	2,191.6
(+) Real estate pledged	118.2	119.0	(0.8)	391.1	(272.9)
Free Cash	4,819.3	4,993.9	(174.5)	2,873.2	1,946.1

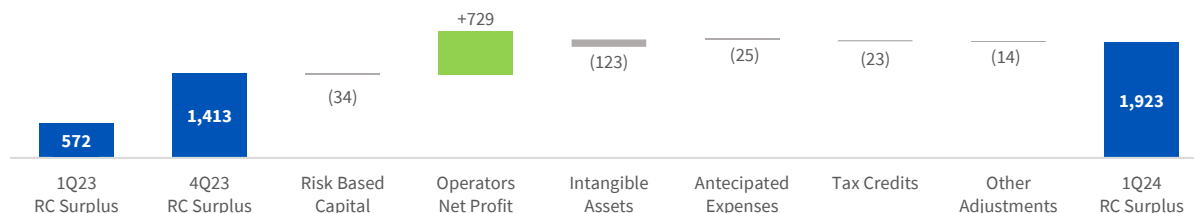
Required Technical Provisions went from R\$3,015.0 million in 4Q23 to R\$3,056.4 million in 1Q24, an increase of R\$41.4 million, mainly explained by a higher medical costs received at the end of the quarter and paid in April (Outstanding claims reserve).

Cash and financial investments decreased by R\$132.4 million in 1Q24, with R\$946.6 million from the payment of principal and interest, using the funds raised in December'23; this decrease was partially offset by:

- **R\$613.9 million** generated from Free Cash Flow; and
- **R\$186.3 million** from income from financial investments.

Regulatory Capital

On March 31, 2024, all of the group's operators had a Regulatory Capital (RC) surplus, totaling R\$1,923.2 million (simple sum of the operators), an increase of R\$510.5 million to 4Q23, with R\$6,028.3 million in Adjusted Shareholders' Equity (PLA) compared to R\$4,105.2 million in Risk-Based Capital (CBR).



Risk-Based Capital increased R\$33.7 million, primarily reflecting nominal increases in Revenue and MLR.

Adjusted Shareholders' Equity rose from R\$5,484.1 in 4Q23 to R\$6,028.3 million in 1Q24, an increase of R\$544.2 million, mainly due to the positive impact of:

- **R\$729.5 million** in operators' net income after Equity Interest payment to their parent companies and excluding the effect of amortization.

And negatively offset by:

- **R\$123.4 million** in Intangible Assets mainly due to investments in technology;
- **R\$25.2 million** in Anticipated Expenses with software licenses and IPTU, which will be amortized over the year;
- **R\$22.7 million** in Tax Credits resulting from the utilization of accumulated tax losses from previous periods;
- **R\$13.9 million** in Other Adjustments related to indirect operators' losses.

DISCLAIMER

Hapvida Participações e Investimentos S.A. informs its shareholders and the market in general that the financial information contained in this document derives from the audited financial statements, relating to three months period ended on March 31, 2024, prepared in accordance with IFRS 4 – Contracts of Insurance, internalized in Brazil by CPC 11, which were disclosed, on an extraordinary basis, for the purposes of monitoring business performance and comparability between periods. Therefore, this financial information does not consider the accounting standard currently in force, IFRS 17 – Insurance Contracts, internalized in Brazil by CPC 50, which must be considered for all purposes of applicable legislation and regulations, and which will result in financial information different from that presented in this material.

INCOME STATEMENT

(R\$ million)	1Q24	4Q23	Var. % 1Q24/4Q23	1Q23	Var. % 1Q24/1Q23
Net Revenue	6,991.4	6,935.5	0.8%	6,726.2	3.9%
Revenues from gross payments	7,078.2	6,977.7	1.4%	6,698.2	5.7%
Revenue from other activities	218.5	268.1	-18.5%	361.1	-39.5%
Deductions	(305.2)	(310.3)	-1.7%	(333.1)	-8.4%
Total Cost	(4,917.0)	(4,939.3)	-0.5%	(5,046.7)	-2.6%
Change in IBNR	(1.0)	41.1	n/a	1.8	n/a
Change in SUS reimbursement provision	(52.3)	(65.1)	-19.6%	(77.9)	-32.8%
Depreciation and amortization	(112.3)	(109.8)	2.3%	(110.5)	1.6%
Cash Medical Losses	(4,751.4)	(4,805.5)	-1.1%	(4,860.0)	-2.2%
Cash MLR	-68.0%	-69.3%	1.3pp	-72.3%	4.3pp
Gross profit	2,074.5	1,996.2	3.9%	1,679.5	23.5%
Gross margin	29.7%	28.8%	0.9pp	25.0%	4.7pp
Sales expenses	(551.2)	(550.0)	0.2%	(519.9)	6.0%
Commission expenses	(315.8)	(332.1)	-4.9%	(321.4)	-1.7%
Provision for credit losses	(170.7)	(138.9)	22.9%	(154.1)	10.8%
Advertise expenses	(12.5)	(25.1)	-50.2%	(12.4)	1.2%
Personnel	(43.6)	(43.1)	1.2%	(29.3)	48.9%
Other sales expenses	(8.7)	(10.9)	-20.6%	(2.9)	202.6%
Administrative expenses	(1,121.9)	(1,082.1)	3.7%	(1,078.4)	4.0%
Personnel	(257.9)	(237.8)	8.4%	(285.6)	-9.7%
Third party services	(194.0)	(165.3)	17.4%	(174.2)	11.4%
Occupation and Utilities	(68.3)	(93.9)	-27.2%	(77.5)	-11.8%
Depreciation and amortization	(431.6)	(442.5)	-2.5%	(392.5)	10.0%
Taxes	(24.3)	(30.6)	-20.7%	(30.8)	-21.2%
Provisions for civil, labor and tax risks	(93.4)	(91.5)	2.1%	(64.2)	45.5%
Stock Grant and Stock Option Plans	(41.9)	20.5	n/a	(38.2)	9.5%
Miscellaneous expenses	(10.5)	(41.0)	-74.4%	(15.4)	-32.1%
Other expenses/operational revenues	12.2	53.8	-77.3%	12.2	0.7%
Operational income	413.6	417.9	-1.0%	93.3	343.1%
Financial revenues	275.6	272.1	1.3%	193.6	42.4%
Financial expenses	(531.8)	(578.6)	-8.1%	(623.6)	-14.7%
EBT	157.4	111.4	41.2%	(336.7)	n/a
IR and CSLL current	(109.0)	(15.9)	586.9%	(66.2)	64.8%
IR and CSLL deferred	35.0	(125.4)	n/a	61.3	-42.9%
Net income	83.3	(29.9)	-379.2%	(341.6)	-124.4%
Net margin	1.2%	-0.4%	1.6pp	-5.1%	6.3pp
Net income	83.3	(29.9)	-379.2%	(341.6)	-124.4%
(+) Long term Incentive Plan (LTIP) and SOP	41.9	(20.5)	-304.3%	38.2	9.5%
(+) Intangible Amortization	369.4	380.9	-3.0%	336.4	9.8%
(+) Non-recurring expenses	12.3	-	0.0%	-	0.0%
Adjusted Net Income	506.8	330.5	53.3%	33.1	1433.5%
Margin	7.2%	4.8%	2.5pp	0.5%	6.8pp
(+) Income tax and social contribution	74.0	141.3	-47.6%	4.9	1422.1%
(+) Financial result	256.2	306.5	-16.4%	430.0	-40.4%
(+) Depreciation and Amortization	174.5	171.4	1.8%	166.6	4.7%
Adjusted EBITDA	1,011.6	949.7	6.5%	634.5	59.4%
Margin	14.5%	13.7%	0.8pp	9.4%	5.0pp

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BALANCE SHEET

(R\$ million)	03.31.2024	12.31.2023	Var. R\$	Var. %
Assets	74,669.7	75,155.8	(486.1)	-0.6%
Current assets	10,534.6	10,527.3	7.3	0.1%
Cash and cash equivalents	826.6	1,430.1	(603.6)	-42.2%
Short-term investments	6,116.8	5,573.5	543.3	9.7%
Trade receivables	1,743.1	1,610.0	133.1	8.3%
Inventory	332.3	318.6	13.7	4.3%
Recoverable tax	830.9	835.1	(4.1)	-0.5%
Other assets	329.0	368.7	(39.7)	-10.8%
Deferred commission	355.8	391.2	(35.4)	-9.0%
Non-current assets	64,135.2	64,628.6	(493.4)	-0.8%
Long-term investments	814.2	886.3	(72.1)	-8.1%
Deferred taxes	3,246.0	3,096.1	149.9	4.8%
Judicial deposits	2,383.8	2,226.2	157.6	7.1%
Deferred commission	567.2	570.1	(2.9)	-0.5%
Other credits with related parties	3.2	5.2	(2.0)	-39.2%
Derivative financial instruments	-	0.8	(0.8)	-100.0%
Other assets	119.3	121.8	(2.5)	-2.1%
Investments	7.7	5.5	2.2	40.2%
Property, plant and equipment	6,501.1	6,882.6	(381.5)	-5.5%
Intangible assets	50,492.7	50,834.0	(341.3)	-0.7%
Liabilities and shareholders' equity	74,669.7	75,155.8	(486.1)	-0.6%
Current liabilities	7,802.1	8,538.3	(736.2)	-8.6%
Lending and Financing	1,480.8	2,109.9	(629.1)	-29.8%
Trade payables	277.7	292.0	(14.3)	-4.9%
Technical provisions for health care operations	3,764.7	3,999.4	(234.7)	-5.9%
Health care payables	59.7	58.0	1.7	2.9%
Payroll obligations	718.8	657.6	61.2	9.3%
Taxes and contributions payable	456.3	467.5	(11.2)	-2.4%
Income and social contribution taxes	41.4	28.3	13.2	46.6%
Dividends and interest on shareholders' equity payable	12.6	12.6	-	0.0%
Leases payable	443.4	475.2	(31.7)	-6.7%
Derivative financial instruments	59.2	25.1	34.1	135.9%
Related party payables	4.0	5.7	(1.8)	-31.0%
Other accounts payable	483.5	406.9	76.6	18.8%
Non-current liabilities	17,835.8	17,523.9	311.9	1.8%
Lending and Financing	9,453.0	9,416.5	36.6	0.4%
Taxes and contributions payable	153.2	161.4	(8.2)	-5.1%
Technical reserves for health care operations	1,376.7	945.5	431.2	45.6%
Leases payable	2,580.2	2,862.8	(282.6)	-9.9%
Deferred income tax and social contribution	1,378.4	1,263.5	114.9	9.1%
Provision for tax, civil and labor risks	1,284.3	1,267.3	17.0	1.3%
Derivative financial instruments	13.0	24.1	(11.1)	-46.1%
Other accounts payable	1,597.0	1,582.8	14.2	0.9%
Shareholders' equity	49,031.8	49,093.6	(61.8)	-0.1%
Capital	38,866.2	38,866.2	-	0.0%
Treasury shares	(424.4)	(452.0)	27.5	-6.1%
Legal reserve	201.5	201.5	-	0.0%
Capital reserve	9,759.5	9,892.4	(132.9)	-1.3%
Profit reserves	599.9	599.9	-	0.0%
Other comprehensive income	(55.2)	(15.8)	(39.4)	249.3%
Accumulated loss	83.5	-	83.5	100.0%
Equity attributable to controlling shareholders	49,030.9	49,092.2	(61.2)	-0.1%
Non-controlling interest	0.8	1.4	(0.5)	-40.0%

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CASH FLOW STATEMENT

(R\$ million)	1Q24	1Q23
Net income	83.4	(341.6)
Adjustments to reconcile net income with cash	1,293.2	1,356.7
Depreciation and amortization	486.8	451.9
Depreciation of usage rights	57.0	51.0
Write-off of added value of fixed assets	-	-
Sale & Leaseback	-	-
Technical provisions for health care operations	0.7	(1.9)
Provision for losses on receivables	170.7	154.1
Write-off of property, plant and equipment	7.1	0.9
Write-off of intangible assets	4.3	11.8
Provision for tax, civil and labor risks	68.2	126.6
Income from financial investments	(186.3)	(110.8)
Adjusted market value of Short-term investments	0.2	-
Earning on derivative financial instruments	(7.1)	20.4
Interest and monetary restatement of leases	80.5	51.5
Interest and financial charges on loans and financing	333.8	397.9
Exchange rate	0.0	(3.7)
Long term incentive plan	41.9	38.2
Change in contingent liability fair value	-	-
Others	-	(1.1)
Tax income and social contribution	109.0	66.2
Deferred taxes	(35.0)	(61.3)
Amortization of deferred commission	161.4	164.9
(Increase) decrease in asset accounts	(527.5)	(279.0)
Accounts receivable	(303.8)	(34.6)
Inventory	(13.7)	20.5
Taxes recoverable	2.2	(28.0)
Judicial deposits	(158.9)	(84.8)
Other assets	69.8	26.8
Deferred Sales Expense	(123.1)	(179.0)
Increase (decrease) in liability accounts:	69.6	(61.6)
Technical provisions for health care operations	195.8	49.8
Debts of health care operations	1.7	0.8
Social obligations	43.7	30.2
Suppliers	(11.2)	(57.0)
Taxes and contributions payable	(25.6)	(33.8)
Other accounts payable	9.0	26.6
Income tax and social contribution paid	(93.9)	(36.3)
Provision for tax, civil and labor risks	(49.9)	(41.9)
Net cash provided (used) by continued operating activities	918.8	674.5
Net cash flow used in discontinued operating activities	5.6	-
Net cash provided (used) by operating activities	924.4	674.5
Cash flow from investing activities	(383.4)	(1,169.3)
Payments to related parties	0.3	0.0
Acquisition of property, plant and equipment	(41.1)	(85.8)
Acquisition of intangibles	(63.8)	(30.8)
Acquisition/sale of investments	-	(630.6)
Balances attributed to the acquisition of investees	-	3.2
Resources received from Sale & Leaseback operations	-	-
Financial investments	(278.9)	(425.2)
Net cash flow used in discontinued investing activities	-	-
Cash flow from financing activities	(1,100.5)	(408.9)
Issuance of Debentures	-	750.0
Obtaining loans	-	257.4
Receipt of derivative financial instruments	(17.1)	-
Payment / Acquisition of loans and financing	(750.0)	(1,113.5)
Payment / Acquisition Interest of loans and financing	(179.5)	(197.7)
Transaction costs related to funding	-	-
Payment/ Acquisition of subsidiaries	(1.7)	(4.9)
Payment of dividends and interest on own capital	-	-
Principal payments - Leases	(120.2)	(102.4)
Resources received from Follow-on	-	-
Expenses with issue of shares	-	-
Stock buybacks/ Repurchase of own shares	(20.7)	2.2
Stock-based compensation plan payment - Stock grant	(20.0)	-
Net cash flow used in discontinued financing activities	8.7	-
Change in cash and cash equivalents	(559.5)	(903.7)
Cash and cash equivalents at the beginning of the period	1,430.1	1,267.9
Cash and cash equivalents at the end of the period	826.6	364.2
Change in cash and cash equivalents of discontinued operations	(44.0)	-

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