



Earnings Release 3Q23



Rio Solimões Pediatric Hospital – Manaus/AM



Earnings Call Presentation

November 9th, 2023 (Thursday)

Portuguese (with simultaneous translation to English)

9am (EST – NY) | 11am (BRT)

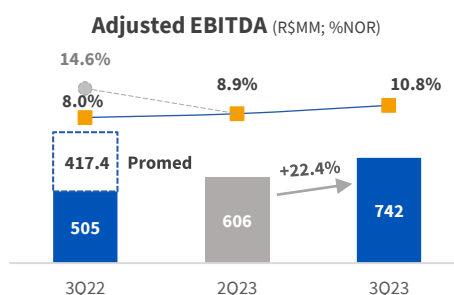
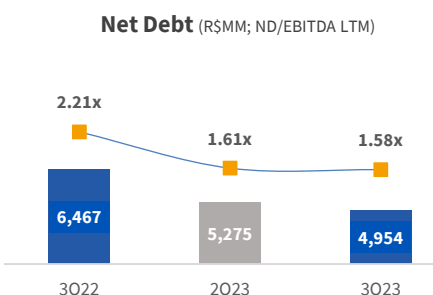
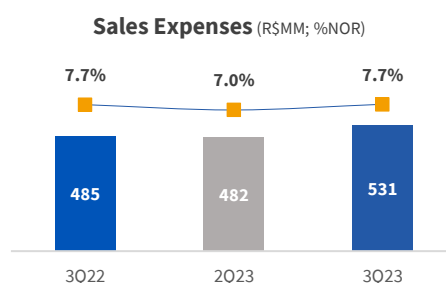
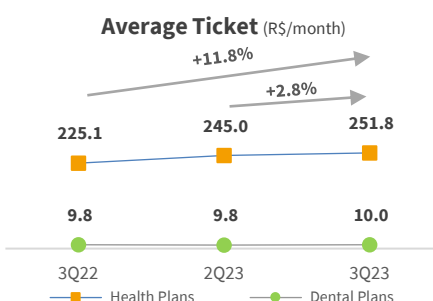
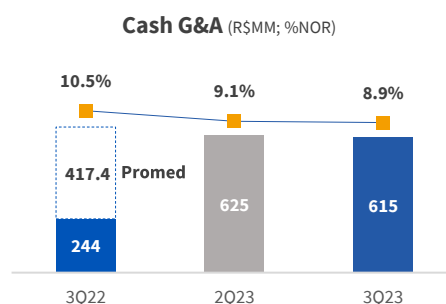
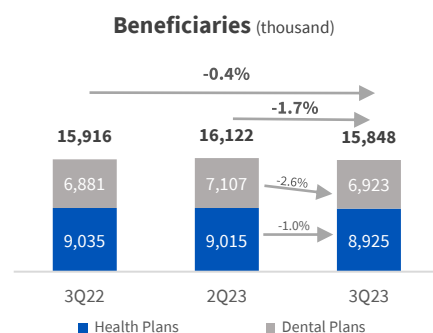
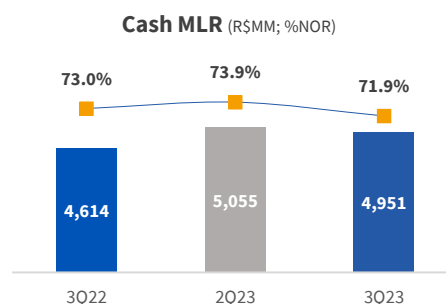
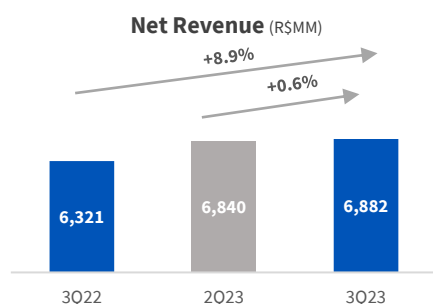
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Summary

HIGHLIGHTS

In 3Q23, the company expanded its Adjusted EBITDA and margins with a reduction in Medical Loss Ratio (MLR) compared to 2Q23 and 3Q22, as well as an increase in Net Revenue and dilution of administrative expenses. Consistent cash generation and a reduction in net debt were also highlights.

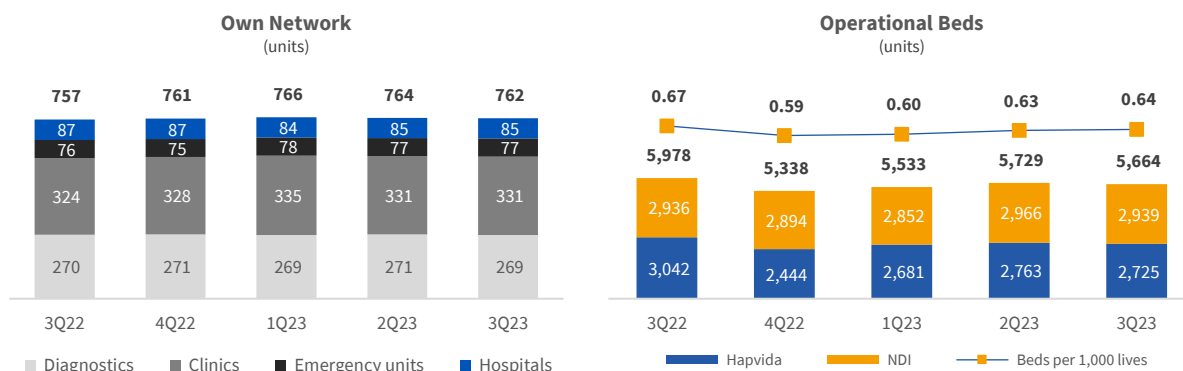
In August '23, we concluded the divestment of São Francisco Resgate. In October '23, we announced the divestment of Maida.Health and two new hospitals were inaugurated.



Operational Highlights

OWN NETWORK

At the end of 3Q23, the company had 85 hospitals, 77 emergency units, 331 clinics and 269 diagnostic imaging and laboratory collection units, totaling 762 own service points, accessible to our beneficiaries, in all five regions of Brazil.



The Company continued the process of expanding its own network, opening two new hospitals in October: Rio Preto Hospital, in São José do Rio Preto/SP and Rio Solimões Pediatric Hospital, in Manaus/AM.

Rio Preto Hospital was designed to meet the health demands of the population of São José do Rio Preto and neighboring cities in the state of São Paulo. The hospital has the capacity to carry out up to 9,000 consultations a month and reflects the company's focus on offering the best experience to its patients, most of whom come from the acquisition of HB Saúde.

In Manaus, we inaugurated Rio Solimões Pediatric Hospital, which has more than 30 beds, a state-of-the-art surgical center and pediatric ICU, and a diagnostic imaging center with a CT scanner and laboratory. The unit has a modern structure and specialized professionals for exclusive pediatric care and is the only private hospital with this vocation in the region.



ESG – ENVIRONMENT, SOCIAL AND GOVERNANCE



Environment

Continuing with environmental awareness and process standardization, this quarter we launched the Environment Trail on the Learning Portal, covering topics such as eco-efficiency (water, energy, composting), regulatory documents and waste management. The aim of the Environment Trail is to introduce all employees to the scope of the area's work and to provide guidance on the corporate standardization of environmental processes to guarantee the protection of workers, the preservation of public health and natural resources, as well as compliance with legislation.

We would also highlight that we have been working to unify and standardize the company's environmental processes, where we hired a consultancy company to help us with the environmental, legal and compliance diagnosis in the Hapvida vertical. The project also includes scheduled audits with the heads of the units for on-site investigations into compliance with the legal basis and corporate requirements.



Social

We continue with development actions for our employees in relation to the topic of Diversity. This quarter, we held affinity group meetings and launched initiatives on topics related to human rights, such as:

- Leader Development Plan - Diversity Module (participation of 987 leaders)
- Launch of the Inclusive Management Manual with a plan to make management more inclusive
- Training in PwD Inclusion for the Human Resources team
- Awareness actions about Indigenous Peoples, Fatherhood and Lilac August
- Participation in a meeting on the health of Transgender People with the Business and LGBTI+ Rights Forum and the Human Rights Secretariat
- Participation in fairs for employability of people from minority groups – focus on people with disabilities
- Maintenance of the Women's Channel
- Leadership Development Plan – About unconscious biases and inclusion of people with disabilities
- People with Disabilities Week Campaign

Maintaining our commitments:

- Business and LGBTI+ Rights Forum
- United Nations Women
- Salvador Racial Seal
- REIS - Business Network for Social Inclusion
- Business Coalition to End Violence against Girls and Women



Governance

As part of the actions aimed at training employees in Privacy and Data Protection, in July 2023 another Information Security and Privacy Week took place, which featured training sessions full of content, workshops, participation of the CEO and leaders of the Technology and Human Resources departments. Registration for the new cycle (2023/2024) of the Privacy Champions Program was also launched, which has more than 250 professionals who act as agents of disseminating culture in Data Protection. Additionally, the project to unify the Privacy Management system (OneTrust) to support the processes and operation of the combined company was completed.

Financial Results

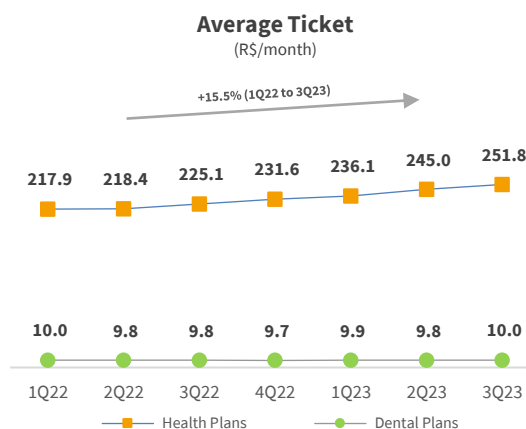
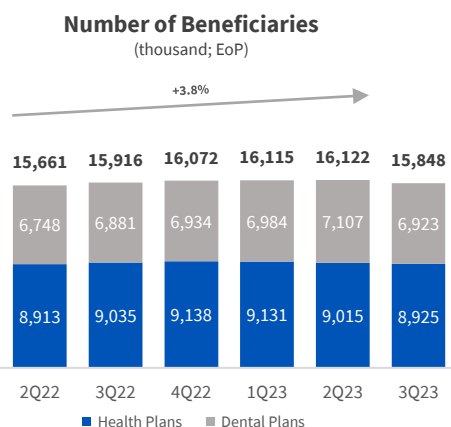
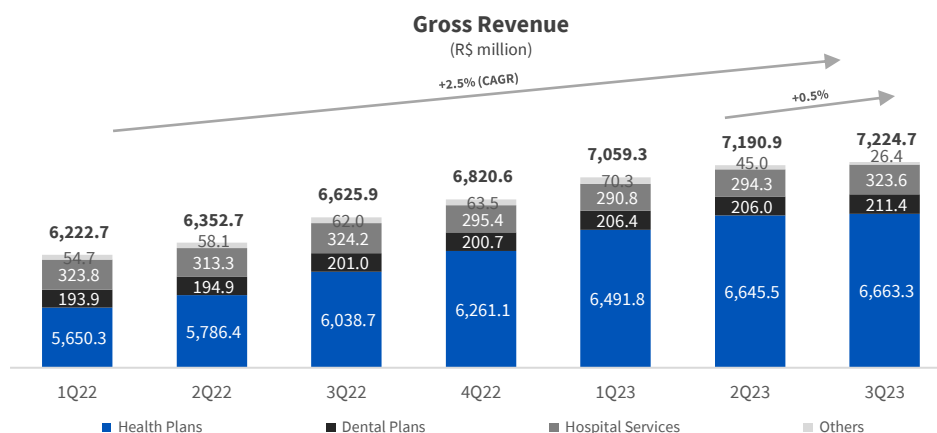
NET REVENUE

The consolidated net revenue totaled R\$6,881.9 million in 3Q23, showing growth of 8.9% when compared to 3Q22, mainly benefiting from the growth of the health plans business line, because of the price readjustments strategy and margin recovery process despite the reduction in the number of beneficiaries.

In January '23, we completed the acquisition of HB Saúde, which added R\$82.2 million to net revenue in 3Q23.

Since January '23, ISS (service tax) began to be levied on the revenue of the operator Hapvida Assistência Médica in Fortaleza/CE, totaling R\$22.4 million in 3Q23.

(R\$ million)	3Q23	2Q23	Var. % 3Q23/2Q23	3Q22	Var. % 3Q23/3Q22
Health Plans	6,663.3	6,645.5	0.3%	6,038.7	10.3%
Dental Plans	211.4	206.0	2.6%	201.0	5.2%
Hospital Services	323.6	294.3	9.9%	324.2	-0.2%
Others	26.4	45.0	-41.4%	62.0	-57.5%
Deductions	(342.8)	(351.0)	-2.3%	(304.7)	12.5%
Net Revenue	6,881.9	6,839.8	0.6%	6,321.2	8.9%

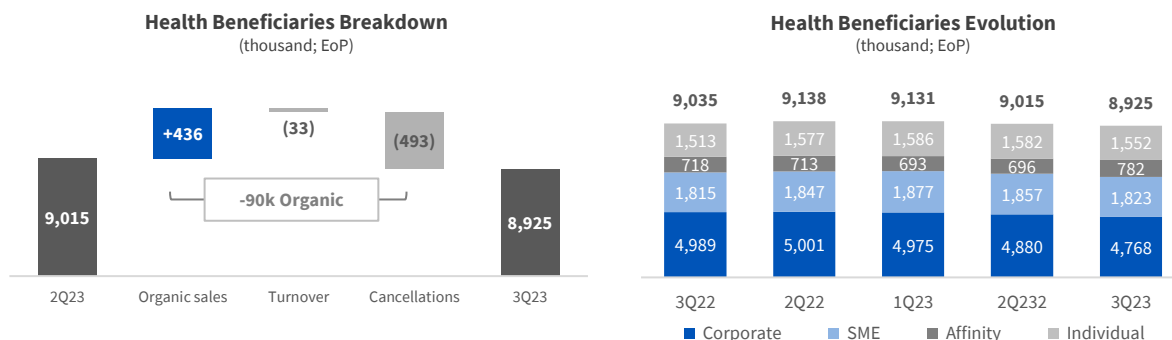


1Q22 data include the simple sum of the January '22 numbers of BCBF Participações S.A. to the Hapvida Investimentos e Participações results.

HEALTH PLANS

Net revenue from health plans in 3Q23 totaled R\$6,663.3 million, an increase of 10.3% compared to 3Q22. This growth is the result of the consolidated average monthly ticket moving from R\$225.1 to R\$251.8.

Beneficiaries



In 3Q23, the Company presented a net reduction of 89.9 thousand beneficiaries in health plans when compared to 2Q23. Among the main aspects that impacted growth, we highlight:

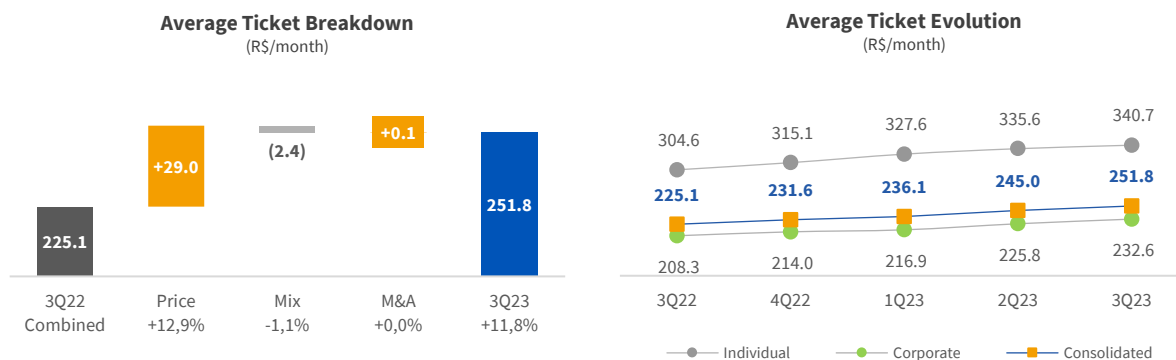
- Addition of 436.1 thousand beneficiaries as a result of the maintenance of gross sales (157.0k Corporate, 91.1k SME and 188.1k Individual/Affinity);
- Reduction of 492.6 thousand beneficiaries reflecting the increase in defaults, a challenging macroeconomic environment and the cancellation of unprofitable contracts (226.6k Corporate, 132.2k SME and 133.8k Individual/Affinity); and
- Loss of 33.4 thousand beneficiaries due to negative turnover (hirings minus firings in existing corporate contracts).

At the end of 3Q23, the Company had 462.5 thousand beneficiaries in preferred provider organization plans (PPO), a net reduction of 19.1 thousand when compared to 2Q23.

Average Ticket

The consolidated average health ticket increased by 11.8%, reflecting price readjustments and contract reviews, pursuing a more profitable and sustainable portfolio. Thus, we have the following impacts when evaluating the evolution of the average ticket between quarters:

- +12.9% as a result of price readjustments of existing contracts; and
- -1.1% net negative impact from new sales and cancellations mix.



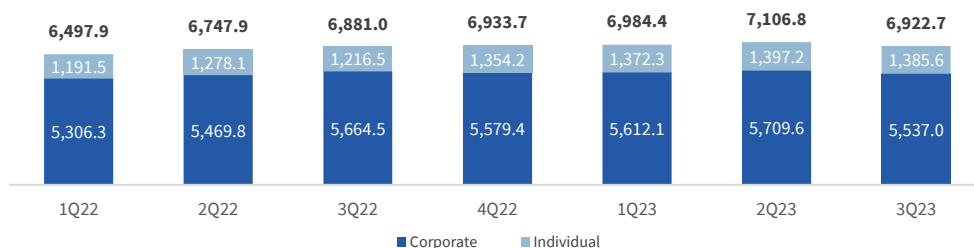
DENTAL PLANS

3Q23 Net revenue of Dental Plans totaled R\$211.4 million and grew 5.2% compared to 3Q22, a result of the 3.2% increase in the number of beneficiaries and the average monthly ticket increasing from R\$9.8 in 3Q22 to R\$10.0 in 3Q23.

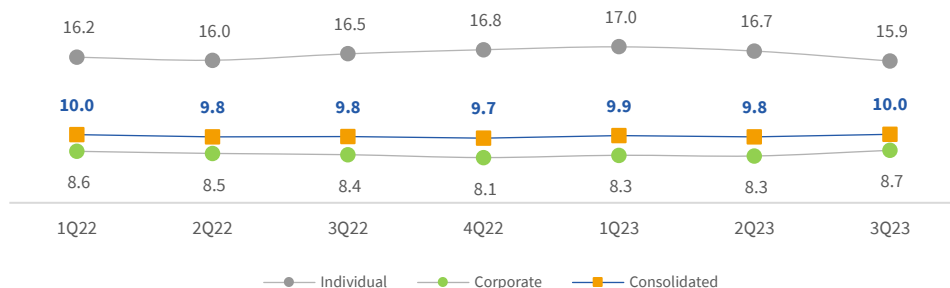
During the quarter, the Company had a net reduction of 175.5 thousand lives organically compared to 2Q23.

It is important to point out that the Cash MLR of the dental plans' operation has remained 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)



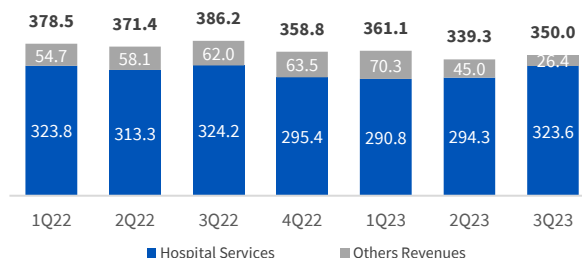
Hospital Services & Other Revenues

In 3Q23, revenue from hospital services and other revenues reached R\$350.0 million, a decrease of 9.4% compared to 3Q22.

In August '23, we concluded the divestment of São Francisco Resgate, thus, the Other Revenues item became smaller, a reduction of R\$39.6 million in 3Q23 compared to 3Q22.

In addition, we have been more selective in offering medical and hospital services to third parties, reducing the credit risk, while we have taken advantage of this moment to seek organic growth in beneficiaries in regions where we have idle capacity.

Gross Revenue
(R\$ million)



MEDICAL COSTS AND CASH MLR

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

(R\$ million)	3Q23	2Q23	Var. % 3Q23/2Q23	3Q22	Var. % 3Q23/3Q22
IBNR	(8.0)	28.8	-127.7%	(5.0)	58.2%
SUS Reimbursement	51.1	42.8	19.3%	60.2	-15.1%
Depreciation and Amortization	105.6	102.5	3.1%	124.3	-15.0%
Cash Medical Losses	4,950.7	5,055.2	-2.1%	4,614.4	7.3%
Cash MLR	71.9%	73.9%	-2.0pp	73.0%	-1.1pp
Total Medical Costs	5,099.4	5,229.3	-2.5%	4,793.9	6.4%

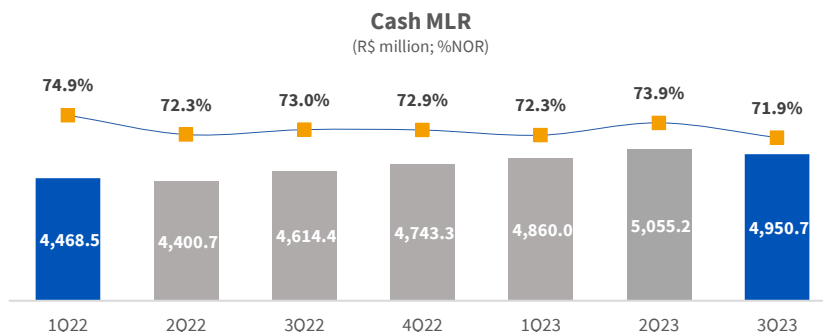
In 3Q23, we notice:

- **R\$8.0 million** of reversal in IBNR, reflecting costs reductions and increased verticalization; and
- **R\$51.1 million** in SUS Provision, totaling R\$171.7 million since January'23, 32.2% lower than the same period in 2022.

Cash MLR

Cash MLR is the most relevant item in the cost of services and reflects effective healthcare costs, as well as all cost control initiatives, increased vertical integration and seasonal characteristics of the business.

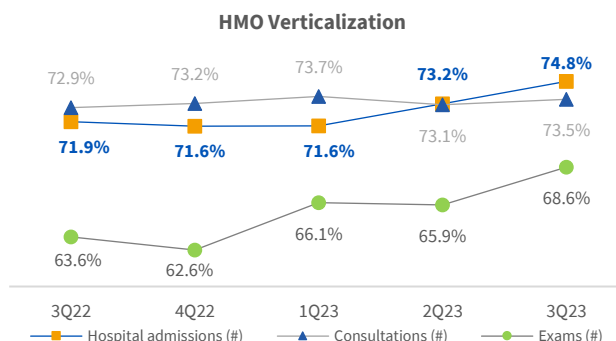
In 3Q23, Cash MLR (which exclude D&A, IBNR and SUS Provisions) was 71.9%, an important dilution of 1.1p.p. and 2.0p.p. compared to 3Q22 and 2Q23, respectively.



Representing a lower level than expected due to historical seasonality, where the third quarters are on average around 0.3 p.p. above the second quarters, considering the years 2017-2019 for the proforma combined numbers of Hapvida and NotreDame Intermédica.

The reduction in Cash MLR in 3Q23 was mainly due to the necessary price readjustments, the increase in verticalization and unification of best practices resulting from the merger, being the same level since the association between Hapvida and GNDI, prioritizing our own network where we have cost and frequency more controlled.

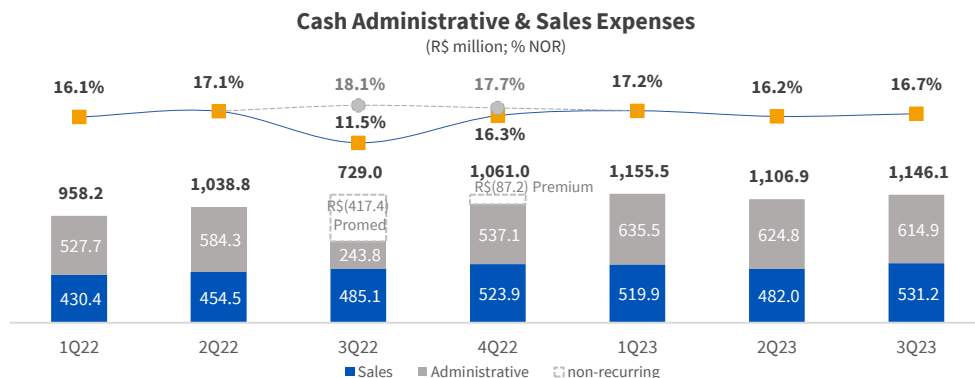
This quarter we reached greater levels of verticalization of our operations, contributing to the improvement in the Cash MLR, where verticalized hospital admissions increased from 73.2% in 2Q23 to 74.8% in 3Q23 and exams increased by 2.7 percentage points reaching 68.6% vertical integration, bringing more quality and uniformity to our beneficiaries.



1Q22 data include the simple sum of the January'22 numbers of BCBF Participações S.A. to the Hapvida Investimentos e Participações results..

ADMINISTRATIVE & SALES EXPENSES

Cash Administrative and Sales expenses in 3Q23 reached R\$1,146.1 million (16.7% NOR), a dilution of 1.4pp. compared to 3Q22 (excluding the one-off effect of Promed's price adjustment in 3Q22).



Cash Administrative Expenses

(R\$ million)	3Q23	%NOR 3Q23	2Q23	%NOR 2Q23	3Q22	%NOR 3Q22
Personnel	287.8	4.2%	283.2	4.1%	320.5	5.1%
Third Party Services	190.3	2.8%	171.5	2.5%	171.1	2.7%
Occupation and Utilities	72.6	1.1%	72.7	1.1%	80.4	1.3%
Contingencies & Taxes	96.6	1.4%	118.9	1.7%	88.8	1.4%
Other	(32.4)	-0.5%	(21.4)	-0.3%	(416.9)	-6.6%
Cash G&A	614.9	8.9%	624.8	9.1%	243.8	3.9%

In 3Q23, the main impacts on the administrative expenses line were:

Personnel, that presented a reduction of R\$32.7 million versus 3Q22, and an increase of R\$4.6 million compared to 2Q23, due to (i) the internalization of acquired companies' call centers, in R\$6.8 million; (ii) R\$3.9 million from residual collective bargaining agreements; and (iii) R\$2.3 million in severance pay from synergy, which were partially offset by the positive effects of synergies.

Third party services increased by R\$18.9 million, mainly due to (i) acquisition expenses from previous periods, (ii) the implementation and development of systems (technological platforms) in the acquired companies and (iii) integration advisories.

Also, in 3Q23, Other Income and Expenses reflected the positive effects of R\$11.6 million from the adjustment of acquisitions and R\$8.5 million from the Sale & Leaseback (SLB) operation.

Sales Expenses

(R\$ million)	3Q23	%NOR 3Q23	2Q23	%NOR 2Q23	3Q22	%NOR 3Q22
Commission	334.9	4.9%	306.0	4.5%	338.2	5.4%
Provision for credit losses	131.2	1.9%	126.0	1.8%	98.4	1.6%
Marketing & Advertise	20.0	0.3%	11.3	0.2%	20.2	0.3%
Personnel	33.4	0.5%	34.3	0.5%	24.6	0.4%
Other expenses	11.7	0.2%	4.4	0.1%	3.7	0.1%
Sales Expenses	531.2	7.7%	482.0	7.0%	485.1	7.7%

In 3Q23, the company saw an increase in all lines of sales expenses compared to 2Q23, except for personnel expenses. Among the increases, we highlight:

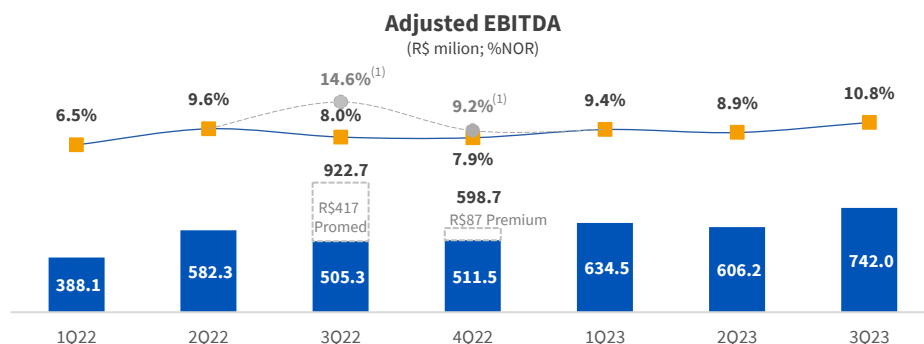
R\$28.8 million in Commissions, where we saw an increase in the amortization of deferred marketing expenses due to the cancellation of contracts during the year; and

R\$8.7 million in Marketing & Advertisement as a result of marketing campaigns concentrated in the second half of the year due to the repositioning of the brand in all regions.

1Q22 data include the simple sum of the January'22 numbers of BCBF Participações S.A. to the Hapvida Investimentos e Participações results.

ADJUSTED EBITDA

Adjusted EBITDA reached R\$742.0 million in 3Q23, an increase of 22.4% compared to 2Q23 and 46.9% compared to 3Q22 (excluding the one-off effect of Promed's price adjustment in 3Q22).

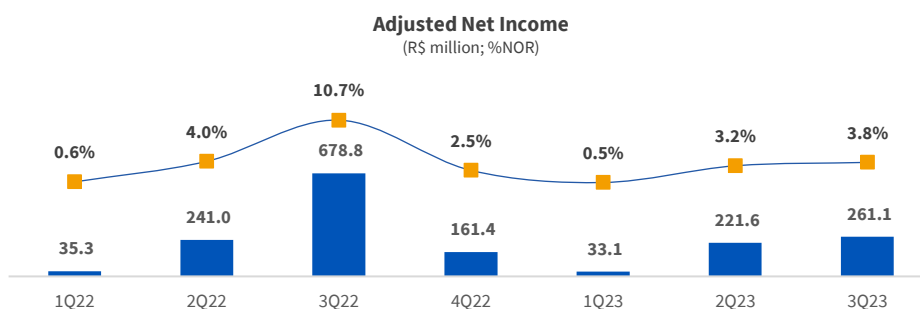


When we compare 3Q23 with 3Q22 (excluding the effect of Promed Reimbursement of R\$417.4 million in 3Q22), we highlight:

- the 8.9% increase in Net revenue;
- the reduction of 1.1p.p. in the cash MLR; and
- the dilution of 1.6p.p. in Administrative expenses.

ADJUSTED NET INCOME

Adjusted Net Income totaled R\$261.1 million in 3Q23, an increase of R\$39.5 million compared to 2Q23. Including the adjustment of non-recurring expenses arising from the divestment of São Francisco Resgate.



(R\$ million)	3Q23	2Q23	Var. % 3Q23/2Q23	3Q22	Var. % 3Q23/3Q22
Net Income (Losses)	(206.7)	(161.1)	28.3%	35.2	-687.9%
(+) Long term Incentive Plan (LTIP) and SOP	35.3	8.6	310.0%	142.1	-75.1%
(+) Intangible Amortization	372.0	374.1	-0.6%	501.6	-25.8%
(+) Non-recurring expenses	60.4	-	100.0%	-	100.0%
Adjusted Net Income	261.1	221.6	17.8%	678.8	-61.5%
(+) Income tax and social contribution	(59.0)	(21.0)	180.5%	(271.4)	-78.3%
(+) Financial result	371.4	246.9	50.4%	345.4	7.5%
(+) Depreciation and Amortization	168.5	158.7	6.2%	169.9	-0.8%
Adjusted EBITDA	742.0	606.2	22.4%	922.7	-19.6%
% margin	10.8%	8.9%	1.9pp	14.6%	-3.8pp

1Q22 data include the simple sum of the January'22 numbers of BCBF Participações S.A. to the Hapvida Investimentos e Participações results.

(1) 3Q22 and 4Q22 excluding the positive impact of R\$417.4 million and R\$87.2 million respectively related to the reimbursement of expenses pursuant to the purchase and sale agreement of companies acquired by the Company.

FINANCIAL RESULT

Net financial result totaled an expense of R\$371.4 million in 3Q23, an increase of 50.4% compared to an expense of R\$246.9 million presented in 2Q23.

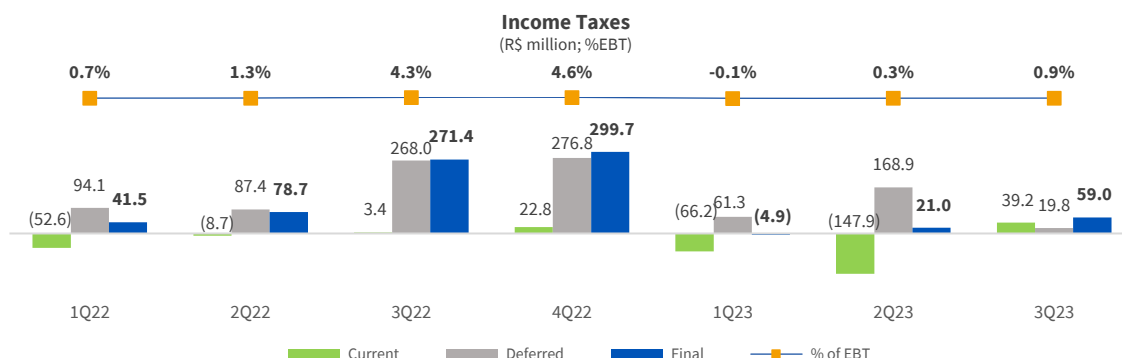
(R\$ million)	3Q23	2Q23	Var. % 3Q23/2Q23	3Q22	Var. % 3Q23/3Q22
Income from investments	208.0	204.0	1.9%	153.8	35.2%
Late payments penalties	28.6	28.7	-0.2%	23.4	22.5%
Indexation credits - SUS	20.6	18.6	10.7%	22.2	-7.4%
Indexation credits - Other	30.5	27.6	10.2%	13.9	119.8%
Derivative instruments - Equity	7.7	61.3	-87.5%	13.2	-42.1%
Other financial revenues	(7.1)	14.2	-150.2%	7.4	-196.1%
Financial Revenues	288.1	354.4	-18.7%	233.9	23.2%
Interest on debentures and loans	(437.7)	(413.4)	5.9%	(371.4)	17.8%
Interest on leases	(86.3)	(68.8)	25.5%	(43.1)	100.2%
Indexation charges - Other	(85.7)	(100.7)	-14.9%	(105.3)	-18.6%
Derivative instruments - Equity	(6.6)	(0.3)	1832.7%	(1.3)	401.3%
Bank expenses	(8.3)	(11.0)	-24.5%	(10.2)	-18.4%
Other finance expenses	(34.9)	(7.2)	385.8%	(48.0)	-27.2%
Financial Expenses	(659.5)	(601.4)	9.7%	(579.3)	13.8%
Net Financial Result	(371.4)	(246.9)	50.4%	(345.4)	7.5%

Financial Revenues fell by R\$66.4 million, from R\$354.4 million in 2Q23 to R\$288.1 million in 3Q23, mainly due to the positive non-recurring effects of R\$61.0 million in 2Q23 with derivative financial instruments that did not repeat, and to (i) R\$11.5 million from the equity swap operation with the appreciation of shares in the period and (ii) R\$49.8 million one-off adjustment of the hedge accounting resulting from the interest payment event.

Financial Expenses increased by R\$58.1 million, from R\$601.4 million in 2Q23 to R\$659.5 million in 3Q23, mainly due to increases in:

- **R\$62.5 million** in non-cash interest on debentures and loans from the Ultra Som CRI swap, which was partially offset by the amortization of principal on more expensive debts;
- **R\$17.6 million** in interest on leases due to R\$8.3 million for the 3 months compared to 2 months recognized in 2Q23, in addition to revisions and new rents arising from the Company's operations; and
- **R\$27.7 million** in Other financial expenses, mainly impacted by taxes of R\$16.3 million on the payment of interest on equity (IOE) of R\$176.0 million to subsidiaries.

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. This means that there may be a negative tax rate in the consolidated accounts, but positive current income tax rates, for example.

The reasons for the variations decomposed between deferred and current follow below:

The current income taxes in 3Q23 was R\$39.2 million, which represented a decrease of R\$187.0 million when compared to the current IR/CS in 2Q23. This reduction in current tax was caused by the reversal of the ISS provision (accounted for in the subsidiary Hapvida Assistência Médica S.A.) in the amount of R\$ 67.8 million, making this expense deductible and, therefore, reducing the tax base, as well as the payment of Interest on equity (IOE) in the amount of R\$176.0 million for Hapvida Participações e Investimentos S.A., also causing a reduction in the tax base. Additionally, there was less recognition of current income taxes expenses, as the comparative quarter was influenced by the results of the Sale & Leaseback operation;

- When compared to the current income tax in 3Q22, it went from R\$3.4 million to R\$39.2 million in 3Q23, both credit balances, a decrease of R\$35.7 million. 3Q22 was positively influenced by the recognition of reimbursement (price adjustment) from the Promed acquisition process in the amount of R\$417.4 million excluded in the tax calculation, and, also, a recognition of other additions and exclusions in the amount of R\$156.7 million mainly explained by various credits/reversals arising from the business combination with NDI that were excluded in the tax calculation. Even so, deductible expenses in 3Q23 became greater when compared to 3Q22, it can be added here that the deductible base of goodwill in 3Q23 was R\$42.8 million higher than 3Q22;
- The deferred income tax in 3Q23 was R\$19.8 million, which represented a reduction of R\$149.1 million when compared to the deferred income tax in 2Q23. This is mainly due to the reduction in the recognition of deferred assets on tax losses and negative basis, which in 2Q23 was relevant in some of the Company's subsidiaries;
- When comparing with 3Q22, deferred income tax was R\$267.9 million, which when compared to 3Q23 represents a decrease of R\$248.2 million, for the same reason, reduction in the recognition of deferred assets on tax losses and negative basis, which in 3Q22 was relevant in some of the Company's subsidiaries.

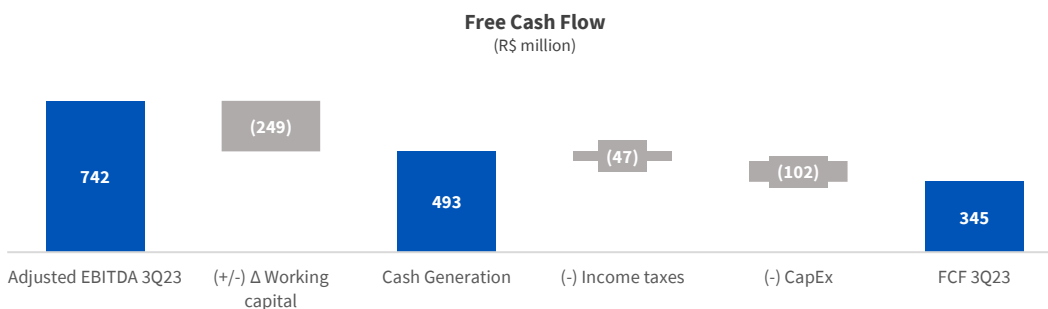
NET DEBT & CASH FLOW

Cash Flow

In 3Q23, the Company presented a positive free cash flow of R\$345.0 million, continuing the consistent cash generation presented throughout 2023.

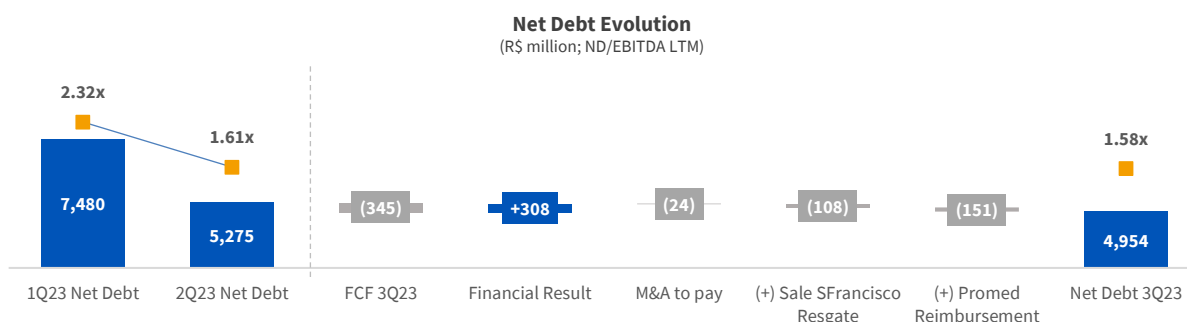
Operating Cash generation reached 66.5% of Adjusted EBITDA in 3Q23, remaining at historic levels.

CapEx of R\$101.7 million was consistent with the 2023 strategy of cash preservation and debt reduction.



Net Debt

In 3Q23, the Company reached R\$4,954.3 million in Net Debt (1.58x EBITDA), compared to R\$5,274.8 million (1.61x EBITDA) in 2Q23, mainly due to the receipt of (i) R\$108.4 million from sale of São Francisco Resgate; and (ii) R\$151.1 million from Promed Reimbursement.



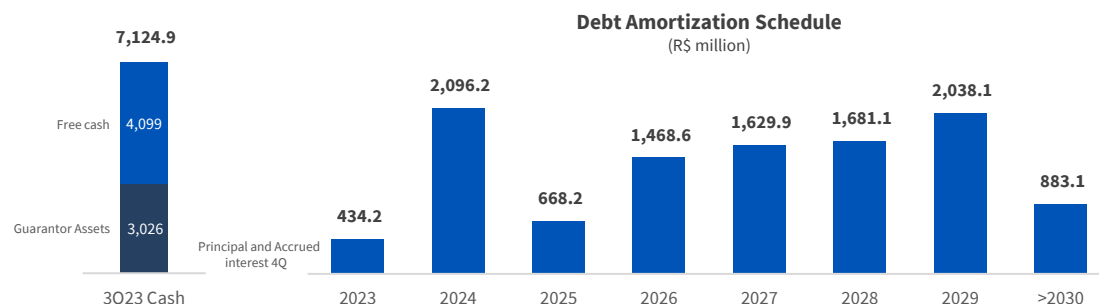
(R\$ million)	2Q23	3Q23	Var. R\$	Var. %
Borrowings, financing and debentures	11,584.1	10,898.2	(685.9)	-5.9%
Other accounts payable (acquired companies)	1,148.4	1,137.5	(10.9)	-0.9%
Derivative financial instruments	(39.9)	43.4	83.3	-208.8%
Gross Debt	12,692.6	12,079.2	(613.4)	-4.8%
(-) Cash and cash equivalents and Investments	(7,417.8)	(7,124.9)	292.9	-3.9%
Net Debt	5,274.8	4,954.3	(320.5)	-6.1%
EBITDA LTM ¹	3,286.0	3,133.8	(152.2)	-4.6%
Net Debt/ EBITDA LTM	1.61x	1.58x		

(1) EBITDA LTM comprises Adjusted EBITDA without the effect of provisions for impairment of accounts receivable.

DEBT

Debt duration increased from 2.9 to 3.1 years. Average cost of debt decreased from CDI+1.66% p.a. in 2Q23 to CDI+1.55% p.a. in 3Q23, mainly due to the change in the Ultra Som CRI swap, which in its new configuration went from 113.32% of CDI to 107.5% of CDI.

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



REGULATORY REQUIREMENTS

Technical Provisions / Guarantor Assets

Free cash went from R\$4,380.9 million in 2Q23 to R\$4,099.0 million at the end of 3Q23, a reduction of R\$281.9 million. This variation was mainly due to the reduction in Cash and Financial Investments with the payment of the 1st debenture.

(R\$ million)	3Q23	2Q23	Var. R\$	Var. %
Required Technical Provisions	3,145.5	3,157.4	(11.8)	-0.4%
(+) SUS Provisions (net of judicial deposits)	1,405.1	1,395.2	9.9	0.7%
(+) IBNR Provision	1,031.3	1,039.3	(8.0)	-0.8%
(+) Outstanding claims reserve	705.2	718.9	(13.7)	-1.9%
(+) Reserve for benefit granted	3.9	4.0	(0.1)	-2.6%
Assets	7,244.6	7,538.3	(293.7)	-3.9%
(+) Cash and financial investments	7,124.9	7,417.8	(292.9)	-3.9%
(+) Real estate pledged	119.7	120.5	(0.8)	-0.7%
Free Cash	4,099.0	4,380.9	(281.9)	-6.4%

Required Technical Provisions remained stable, going from R\$3,157.4 million in 2Q23 to R\$3,145.5 million in 3Q23.

Cash and financial investments showed a reduction of R\$292.9 million in 3Q23, impacted by:

- R\$1,062.3 million in payment of principal and interest;
- R\$41.7 million in installments retained from acquisitions.

Partially compensated by:

- R\$108.4 million from the sale of São Francisco Resgate;
- R\$151.1 million from Promed Reimbursement;
- R\$206.6 million in income from financial investments;
- R\$345.0 million generated from Free Cash Flow.

REGULATORY REQUIREMENTS

Regulatory Capital

On September 30, 2023, the group's operators had a Regulatory Capital surplus of R\$1,069.3 million, with Adjusted Shareholders' Equity of R\$4,816.5 million and Risk-Based Capital of R\$3,747.2 million. All the group's operators showed a Regulatory Capital surplus.

(R\$ million)	3Q23	2Q23	Var. R\$	Var. %
Risk Based Capital	3,747.2	3,626.0	121.2	3.3%
Adjusted Equity	4,816.5	4,568.4	248.2	5.4%
Operator equity	18,436.3	18,281.6	154.7	0.8%
(-) Intangible Assets	(9,158.8)	(9,011.3)	(147.5)	1.6%
(-) Investments	(3,077.8)	(3,301.7)	223.9	-6.8%
(-) Deferred Selling Expenses	(724.8)	(755.0)	30.2	-4.0%
(-) Tax credits on tax losses	(581.8)	(507.7)	(74.1)	14.6%
(-) Prepaid expenses	(76.5)	(137.6)	61.1	-44.4%
Regulatory Capital Surplus	1,069.3	942.4	126.9	13.5%

Risk Based Capital went from R\$3,626.0 million in 2Q23 to R\$3,747.2 million in 3Q23, as a result of the Company's operations.

Adjusted Shareholders' Equity went from R\$4,568.4 million in 2Q23 to R\$4,816.5 million in 3Q23, mainly due to the positive impacts of:

- **R\$154.7 million** in Operators' Equity, mainly due to the R\$150.8 million net profit of the operators;
- **R\$223.9 million** in investments, mainly from the quarter's developments;
- **R\$61.1 million** in prepaid expenses, mainly due to the reversal of the Sale & Leaseback of June'23.

And they were partially offset by the negative impacts of:

- **R\$147.5 million** in Intangible Assets, (i) due to the negative effect of R\$202.0 million classified as Investments in merged companies and (i) due to the positive effect of R\$54.4 million, mainly due to amortization in the period;
- **R74.1 million** in tax credits due to the use of accumulated tax losses from previous periods.

INCOME STATEMENT

(R\$ million)	3Q23	2Q23	Var. % 3Q23/2Q23	3Q22	Var. % 3Q23/3Q22
Net Revenue	6,881.9	6,839.8	0.6%	6,321.2	8.9%
Revenues from gross payments	6,874.7	6,851.5	0.3%	6,239.7	10.2%
Revenue from other activities	350.0	339.3	3.1%	386.2	-9.4%
Deductions	(342.8)	(351.0)	-2.3%	(304.7)	12.5%
Total Cost	(5,099.4)	(5,229.3)	-2.5%	(4,793.9)	6.4%
Change in IBNR	8.0	(28.8)	-127.7%	5.0	58.2%
Change in SUS reimbursement provision	(51.1)	(42.8)	19.3%	(60.2)	-15.1%
Depreciation and amortization	(105.6)	(102.5)	3.1%	(124.3)	-15.0%
Cash Medical Losses	(4,950.7)	(5,055.2)	-2.1%	(4,614.4)	7.3%
Cash MLR	-71.9%	-73.9%	2.0pp	-73.0%	1.1pp
Gross profit	1,782.5	1,610.5	10.7%	1,527.4	16.7%
Gross margin	25.9%	23.5%	2.4pp	24.2%	1.7pp
Sales expenses	(531.2)	(482.0)	10.2%	(485.1)	9.5%
Commission expenses	(334.9)	(306.0)	9.4%	(338.2)	-1.0%
Provision for credit losses	(131.2)	(126.0)	4.1%	(98.4)	33.4%
Advertise expenses	(20.0)	(11.3)	77.6%	(20.2)	-1.0%
Personnel	(33.4)	(34.3)	-2.4%	(24.6)	35.7%
Other sales expenses	(11.7)	(4.4)	164.2%	(3.7)	218.0%
Administrative expenses	(1,124.2)	(1,103.7)	1.9%	(1,362.0)	-17.5%
Personnel	(287.8)	(283.2)	1.6%	(320.5)	-10.2%
Third party services	(190.3)	(171.5)	11.0%	(171.1)	11.2%
Occupation and Utilities	(72.6)	(72.7)	-0.1%	(80.4)	-9.6%
Depreciation and amortization	(434.8)	(430.3)	1.1%	(547.2)	-20.5%
Taxes	(28.3)	(27.4)	3.1%	(36.2)	-21.8%
Provisions for civil, labor and tax risks	(68.3)	(91.5)	-25.4%	(52.7)	29.7%
Stock Grant and Stock Option Plans	(35.3)	(8.6)	310.0%	(142.1)	-75.1%
Miscellaneous expenses	(6.7)	(18.6)	-63.9%	(12.0)	-44.2%
Other expenses/operational revenues	(21.3)	40.0	-153.2%	429.0	-105.0%
Operational income	105.8	64.8	63.3%	109.2	-3.1%
Financial revenues	288.1	354.4	-18.7%	233.9	23.2%
Financial expenses	(659.5)	(601.4)	9.7%	(579.3)	13.8%
EBT	(265.6)	(182.2)	45.8%	(236.3)	12.4%
IR and CSLL current	39.2	(147.9)	-126.5%	3.4	1039.3%
IR and CSLL deferred	19.8	168.9	-88.3%	268.0	-92.6%
Net income	(206.7)	(161.1)	28.3%	35.2	-687.9%
Net margin	-3.0%	-2.4%	-0.6pp	0.6%	-3.6pp
Net income	(206.7)	(161.1)	28.3%	35.2	-687.9%
(+) Long term Incentive Plan (LTIP) and SOP	35.3	8.6	310.0%	142.1	-75.1%
(+) Intangible Amortization	372.0	374.1	-0.6%	501.6	-25.8%
(+) Non-recurring expenses	60.4	-	100.0%	-	100.0%
Adjusted Net Income	261.1	221.6	17.8%	678.8	-61.5%
Margin	3.8%	3.2%	0.6pp	10.7%	-6.9pp
(+) Income tax and social contribution	(59.0)	(21.0)	180.5%	(271.4)	-78.3%
(+) Financial result	371.4	246.9	50.4%	345.4	7.5%
(+) Depreciation and Amortization	168.5	158.7	6.2%	169.9	-0.8%
Adjusted EBITDA	742.0	606.2	22.4%	922.7	-19.6%
Margin	10.8%	8.9%	1.9pp	14.6%	-3.8pp

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BALANCE SHEET

(R\$ million)	09.30.2023	12.31.2022	Var. R\$	Var. %
Assets	74,771.9	73,213.7	1,558.1	2.1%
Current assets	8,911.3	7,931.9	979.4	12.3%
Cash and cash equivalents	639.7	1,267.9	(628.3)	-49.6%
Short-term investments	4,780.4	3,331.7	1,448.7	43.5%
Trade receivables	1,554.3	1,480.8	73.5	5.0%
Inventory	286.0	280.8	5.3	1.9%
Recoverable tax	856.9	708.1	148.8	21.0%
Other assets	-	-	-	100.0%
Other assets	16.0	-	16.0	100.0%
Other assets	365.8	390.6	(24.8)	-6.4%
Deferred commission	412.1	471.9	(59.9)	-12.7%
Non-current assets	65,860.6	65,281.8	578.8	0.9%
Long-term investments	1,704.8	1,265.0	439.8	34.8%
Deferred taxes	3,104.7	2,504.9	599.8	23.9%
Judicial deposits	2,145.9	1,822.8	323.1	17.7%
Deferred commission	578.9	510.2	68.7	13.5%
Other credits with related parties	3.5	3.5	(0.0)	-0.7%
Derivative financial instruments	-	-	-	100.0%
Other assets	114.1	113.6	0.5	0.4%
Investments	6.4	6.4	0.1	1.1%
Property, plant and equipment	7,020.1	7,304.7	(284.7)	-3.9%
Real estate to sales	-	-	-	100.0%
Intangible assets	51,182.3	51,750.7	(568.4)	-1.1%
Liabilities and shareholders' equity	74,771.9	73,213.7	1,558.1	2.1%
Current liabilities	8,485.5	7,474.5	1,011.0	13.5%
Lending and Financing	2,182.5	1,726.5	456.0	26.4%
Trade payables	358.0	414.7	(56.7)	-13.7%
Technical provisions for health care operations	3,910.2	3,636.8	273.4	7.5%
Health care payables	92.1	13.2	78.9	596.0%
Payroll obligations	844.4	647.8	196.7	30.4%
Taxes and contributions payable	489.1	436.4	52.8	12.1%
Income and social contribution taxes	60.3	31.8	28.5	89.7%
Dividends and interest on shareholders' equity payabl	13.6	13.6	-	0.0%
Leases payable	151.4	143.5	8.0	5.5%
Derivative financial instruments	-	18.5	(18.5)	-100.0%
Related party payables	4.0	4.0	0.0	0.1%
Other accounts payable	379.8	387.8	(8.0)	-2.1%
Non-current liabilities	17,163.3	16,982.5	180.8	1.1%
Lending and Financing	8,715.7	9,991.2	(1,275.4)	-12.8%
Taxes and contributions payable	126.9	157.1	(30.2)	-19.2%
Technical reserves for health care operations	921.8	871.5	50.3	5.8%
Leases payable	3,191.7	2,206.6	985.1	44.6%
Deferred income tax and social contribution	1,146.2	808.3	337.9	41.8%
Provision for tax, civil and labor risks	1,387.0	1,361.0	26.0	1.9%
Derivative financial instruments	59.4	42.2	17.3	40.9%
Other accounts payable	1,614.6	1,544.7	69.9	4.5%
Shareholders' equity	49,123.1	48,756.7	366.4	0.8%
Capital	38,866.2	37,834.0	1,032.2	2.7%
Treasury shares	(452.0)	(427.8)	(24.2)	5.7%
Legal reserve	201.5	201.5	-	0.0%
Capital reserve	9,912.7	9,844.4	68.4	0.7%
Profit reserves	1,339.7	1,339.6	0.1	0.0%
Other comprehensive income	(44.5)	(42.2)	(2.4)	5.6%
Accumulated loss	(709.1)	-	(709.1)	100.0%
Equity attributable to controlling shareholders	49,114.4	48,749.4	365.0	0.7%
Non-controlling interest	8.7	7.3	1.4	18.9%

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CASH FLOW STATEMENT

(R\$ million)	3Q23	3Q22
Net income	2,755.9	956.3
Adjustments to reconcile net income with cash	1,352.1	547.6
Depreciation and amortization	482.9	627.4
Depreciation of usage rights	57.6	44.0
Write-off of added value of fixed assets	-	-
Sale & Leaseback	(8.7)	-
Technical provisions for health care operations	(8.1)	(5.4)
Provision for losses on receivables	131.2	98.4
Write-off of property, plant and equipment	0.6	7.5
Write-off of intangible assets	147.6	-
Provision for tax, civil and labor risks	65.3	57.5
Income from financial investments	(206.6)	(155.5)
Adjusted market value of Short-term investments	(1.8)	-
Earning on derivative financial instruments	75.6	4.9
Interest and monetary restatement of leases	86.3	43.1
Interest and financial charges on loans and financing	361.7	374.0
Exchange rate	9.4	(0.2)
Long term incentive plan	35.3	142.1
Change in contingent liability fair value	-	(417.4)
Others	7.1	(1.5)
Tax income and social contribution	(39.2)	(3.4)
Deferred taxes	(19.8)	(268.0)
Amortization of deferred commission	175.5	-
(Increase) decrease in asset accounts	(533.5)	(233.7)
Accounts receivable	(228.0)	(93.6)
Inventory	(0.6)	42.9
Taxes recoverable	(40.9)	(100.9)
Judicial deposits	(125.4)	(61.5)
Other assets	7.8	2.5
Deferred Sales Expense	(146.4)	(23.0)
Increase (decrease) in liability accounts:	165.6	(6.9)
Technical provisions for health care operations	53.6	2.2
Debts of health care operations	50.9	1.2
Social obligations	113.6	108.7
Suppliers	17.6	(56.6)
Taxes and contributions payable	35.1	9.5
Other accounts payable	92.1	(21.8)
Income tax and social contribution paid	(46.7)	(10.9)
Provision for tax, civil and labor risks	(150.6)	(39.0)
Net cash provided (used) by continued operating activities	777.5	342.2
Net cash flow used in discontinued operating activities	10.1	-
Net cash provided (used) by operating activities	787.6	342.2
Cash flow from investing activities	536.9	809.3
Payments to related parties	3.9	0.0
Acquisition of property, plant and equipment	(52.9)	(120.8)
Acquisition of intangibles	(48.8)	(56.9)
Acquisition/sale of investments	-	(101.0)
Balances attributed to the acquisition of investees	-	(0.0)
Resources received from Sale & Leaseback operations	-	-
Financial investments	602.3	1,088.0
Net cash flow used in discontinued investing activities	32.4	-
Cash flow from financing activities	(1,249.8)	(1,176.2)
Issuance of Debentures	-	-
Obtaining loans	-	-
Receipt of derivative financial instruments	-	0.6
Payment / Acquisition of loans and financing	(855.6)	(821.1)
Payment / Acquisition Interest of loans and financing	(206.8)	(232.5)
Transaction costs related to funding	5.3	0.1
Payment/ Acquisition of subsidiaries	(41.7)	(48.1)
Payment of dividends and interest on own capital	-	(0.0)
Principal payments - Leases	(122.4)	(75.2)
Resources received from Follow-on	-	-
Expenses with issue of shares	(2.2)	-
Stock buybacks/ Repurchase of own shares	(26.4)	-
Net cash flow used in discontinued financing activities	(0.1)	-
Change in cash and cash equivalents	74.7	(24.7)
Cash and cash equivalents at the beginning of the period	548.0	593.4
Cash and cash equivalents at the end of the period	639.7	568.7
Change in cash and cash equivalents of discontinued operations	17.0	-

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