



## Transcript of the Teleconference

### Hapvida

#### 4Q25 Results

**Operator:**

Good morning, everyone. Welcome to Hapvida's fourth quarter 2025 Earnings Call.

Joining us today is Mr. Jorge Pinheiro, CEO, and Mr. Luccas Adib, VP of Finance and Technology. 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 along 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 the company CEO, Jorge Pinheiro, to begin the presentation. Jorge, please go ahead.

**Jorge Pinheiro - CEO:**

Good morning, everyone and thank you for joining another earnings conference call.

Today I will break my remarks down into two parts. First, I will briefly review the key drivers that impacted our quarterly results and discuss some year highlights. Following that, I will spend some more time discussing the succession process.

Regarding Q425, we saw improvements in healthcare quality which are closely aligned with the company's value proposition. On the other hand, our bottom line fell short of our expectations. We're not happy with it. We faced significant performance pressure in more competitive markets and a particularly tough quarter in terms of MLR and commercial dynamics. This is not the result we wanted to report, which is exactly why the company is accelerating an objective agenda of transformation and corrections that Luccas will address shortly.

In short, regarding our commercial operations, we operate in a very heterogeneous market. The North, Northeast and Midwest are most mature markets, remain resilient and continue to grow with a potential need for investment to strengthen service capacity.



Conversely, the south and Southeast still require portfolio and execution adjustments, especially because of a more competitive landscape.

Throughout 2025 we witnessed episodes of exceptionally aggressive competition, and we will not engage in price wars that destroy value. We recognized the need to improve the maturity of our commercial practices. This combination contributed to a net loss of lives in the quarter despite the solid gross sales levels completing the 2025 year below the levels expected.

Regarding the cash MLR, Q4 was also pressured by some specific headwinds. This includes the ramp up of our own network following an intense capacity expansion cycle and a typical seasonality with a viral outbreak shifted from historical patterns and a colder, longer than usual winter. I'll leave the full details, and the results break down to Lucas, who will analyze our quarterly results and more importantly, link it to the actions already underway.

Q4 2025 was not only about financial challenges in the areas of health care quality and customer satisfaction. The company reached strong milestones that should be acknowledged and celebrated. For instance, NDI São Paulo reached the 20th position in ANS General Complaint Index or IGR. This is the best position ever. We also saw significant progress in quality indicators with a relevant reduction in total formal complaints, the so-called NIPs and improved service turnaround times. Later on, we will comment further on our future vision for the organization, keeping the members at the center of all decision making.

Having made this brief introduction, I would like to dedicate the bulk of my remarks to one of today's most important the evolution of our governance.

As you all know, the Company has completed a journey. Following a very long cycle of geographic expansion. Through organic and inorganic moves followed by numerous integrations, the company is now entering a new agenda, a stage where operational execution, discipline, organizational streamlining and technological overhauls become even more central to the Hapvida of the future. It's within this context that we are conducting the CEO transition process in a planned and responsible manner.

As announced last year, this new journey will have a clear mandate to restore and strengthen the Company's image, review our value proposition and optimize operations through a tech driven and data-based culture. In the coming quarters, with reduced CAPEX and OPEX pressure, we'll seek to restore our margins, advance our deleveraging



path and return to a sustainable organic growth trajectory. This is what we expect from this new phase and it is with this purpose in mind that we'll be leading this transition.

As such, I will remain as CEO of HAPVIDA until the next General meeting next month, and the transition will be finalized at the following Board of Directors meeting when the Board will elect. Resuming then, when the Board will elect the statutory officers for the next cycle, including the new CEO.

Luccas, our current VP of Finance and Technology, has been preparing to step into the CEO role since last year.

Beyond formal titles, enhancing our governance and leadership transition requires several steps that are typical of structured succession processes. This includes an overlap phase between the outgoing and incoming officers, a gradual increase in the successor's exposure to key operational and strategic issues, intense alignment with the Board of Directors, deepening relationships with key stakeholders such as ambassadors, internal leadership, doctors, brokers and others, and the setup and fine tuning of the senior leadership team.

All of this is being done methodically, without disruption or improvisation. We're also maintaining a critical balance between continuity and renewal. Continuity in what defines the company's essence, our mission to expand healthcare access, our ownership, culture, operational discipline and long-term vision and renewal in the way we execute, prioritize and channel the organization's energy, hold teams accountable for results, streamline operations and better communicate our actions. This is precisely how we are approaching this new chapter.

My role has been to support Luccas on this new journey, help the company conclude the cycle smoothly and ensure the board feels confident and reassured with how the process is being managed. Luccas, role in turn is to reach this new stage with an increasingly comprehensive view of the business, proximity to the team and clarity on where we need to accelerate transformation.

This is a planned transition built with a focus on the best interests of the company and market expectations. It represents the natural evolution of governance for Hapvida's next phase.

Finally, I want to be clear. I will remain here in a different role and scope, but with the same commitment I've always had. On the Board of Directors, I will continue to work alongside the new management team to ensure this journey is successful.



I am very confident in what we are building and convinced that we are bringing the necessary elements for the company to execute this new cycle with excellence.

I will now turn the floor over to Luccas who will detail the results and key initiatives already underway. Thank you everyone.

**Luccas Adib - CFO:**

Thank you, everyone. Thank you, Jorge.

I will also divide my remarks into two parts. First, I want to objectively address the fourth quarter results, what happened, why it happened, and how we are interpreting the main variances. Second, I will discuss our 2026 roadmap, the transition Jorge mentioned, and the execution priorities I see as essential to pivoting the company's trajectory.

Let me be direct. We delivered results that fell short of both our internal expectations and market expectations. This was primarily reflected in two a higher-than-expected MLR and weaker member growth, especially in regions where operational and commercial maturity is still ongoing. As always, there is a component of seasonality and industry headwinds. But the correct takeaway from the quarter also points to a need to focus on diagnostics, prioritization and execution. And this is the perspective that will guide my remarks, starting with membership.

On slide 3 in Q4, we recorded a net loss of 140,000 members. While we maintained a solid pace of sales and gross additions exceeding 600,000 lives, we faced a high churn volume of over 700,000 lives.

The bottom line is clear. We're selling, but our retention is lagging. We expanded capacity but failed to convert it into growth at the required pace and in certain markets our commercial and operational value proposition is not yet calibrated to compete and retain effectively.

When analyzing the composition of these losses, it's helpful to split the explanation into two blocks.

First, North, Northeast and Midwest remain the most mature regions within our business model. In these markets, the value proposition is clear. Network density is higher, verticalization is advanced, and commercial execution has been historically consistent.

In Q4 we saw a growth slowdown in these regions, primarily due to member losses and Notre Dame contract extensions. We have not identified changes in the competitive



landscape or a typical competitor moves in these markets. We view these fluctuations as natural market cycles with no structural impact on our growth capacity. It's worth mentioning that this block saw a net gain of 95,000 lives in 2025 and the goal here is to maintain focus, which I expand on later as these regions continue to anchor much of the company's operational vitality.

The second block is the south and Southeast. Here the scenario has been challenging. These are less mature regions with lower verticalization, higher product diversity and intense competition. These regions lost approximately 145,000 members in the quarter, with the state of São Paulo alone accounting for roughly 120,000. While competition is a factor, a significant portion of this performance stems from internal factors that have already been diagnosed and are now being addressed the need for product fine tuning, friction in the broker channel, retention issues, residual effects from systems integrations in more complex markets, and an offer that is not yet fully adapted to the local client profile. I will discuss shortly what we have already done and will intensify to change the game in 2026.

On Slide 4, you can see that Cash MLR was 75.5% for the quarter, up 0.2 percentage points quarter on quarter, a disappointing break from seasonal trends, reflecting higher costs both quarter on quarter and year over year. The increase in nominal costs the numerator was driven by three components, the first two of which we talked about during the Q3 call.

First, the late onset of the atypical seasonal reduction in utilization.

Historically, utilization declines gradually throughout the fourth quarter starting the second week of October, accelerating in November and reaching its lowest point in December. This is the pattern every year in 2025. The high utilization levels seen in Q3 actually extended into Q4. The seasonal drop only effectively began in the third week of November. As a result, the typical quarterly reduction was lower than expected, putting pressure on MLR.

Now let's talk about the third-party network costs from 3Q25

Due to the 4560-day lag between utilization and billing from the third-party network, Q4 included charges related to the high atypical utilization in 3Q25 this timing lag created additional cost pressure during the quarter.

The third component was our own network ramp-up. Throughout 2025 we opened 7 new hospitals and 26 outpatient units. This expansion strengthened our care capacity and reduced reliance on third party providers in certain regions and is aligned with the essence



of our model. However, in the short term, costs precede revenue. In Q4, these new structures added incremental fixed costs while operating below optimal occupancy, amounting to roughly 20 million in additional fixed costs this quarter alone. And this figure in isolation does not capture the full cost pressure installed throughout the year. The cumulative impact versus 4Q24 exceeds 100 million BRLs. The key point here is the economic dynamic. We expanded our infrastructure faster than our ability to dilute it across the member base. This does not invalidate our verticalization thesis, but it means we must accelerate occupancy capture, third party network replacement and commercial growth over these assets. But this mismatch occurred and is another margin detractor in the short term.

On the denominator side, the issue was lower dilution due to top line revenue falling short of expectations, reflecting the reduction in the member base and the slowdown in average ticket increases. As I mentioned earlier, for some markets such as the south, where we have a smaller member base but some level of verticalization, this effect is magnified.

Looking ahead, our plan rests on two pillars. Returning to growth, diluting fixed network costs and cost optimization via protocol reviews implementing lean/Kaizen methodologies in our hospitals, utilization management, telemedicine and others. The combination of these two factors throughout 2026 should help the MLR improve as utilization frequencies normalize.

Regarding the short term, we can share with prudence and realism that based on January and February data, utilization frequency has returned to historical patterns for the period. Furthermore, from a growth perspective, we are observing a sequential improvement quarter on quarter compared to Q4 in the first months of the year.

Moving on to the next slide, Cash G&A closed at 6.1% of net revenue, up 0.5 percentage point quarter on quarter.

These are two key themes here.

First is the regulatory fines from ANS, which totaled 136 million BRLs in the quarter, 24 million above Q3, reflecting the release of backlogged notices and the subsequent provision of these changes. Our expectation is a gradual easing of these pressures throughout 2026 as we reduce friction in the customer journey and lower the volume of formal complaints or NIPs and notices.

The second thing is litigation. We saw an increase in cases classified as probable following our annual legal circularization, which is typical for this time of the year. As we adopt a



more rigorous stance and raise the bar on our analysis, there was also an increase in injunctions received throughout the quarter, pressuring provisions, asset freezes and expenses, including fines and moral damage from prior periods.

To address this, we are acting on care protocols, clinical alternatives and settlements. We believe we have been successful in cases where procedures are yet to be performed, such as surgery and oncology. However, in cases involving payments for services already rendered, such as autism and home care, we have not yet achieved the necessary success. The correct way to frame this is as there is indeed a structural component in the sector, but there is real room for improvement through clinical care and legal execution, as well as the use of analytical and probabilistic frameworks to optimize these liabilities.

We do not expect a worsening trend here, but we do not foresee a short term inflection point either.

On the Next slide adjusted EBITDA was \$714 million in 4Q25. Pressured by top line deceleration, high MLR and higher contingencies, excluding non-recurring effects which are winding down, EBITDA would have been 556 million. At the bottom of the slide, adjusted net income was 181 million BRLs, reflecting the aforementioned factors.

Moving on to the next slide, the upper section shows free cash flow.

A more pressured EBITDA this quarter, combined with the usual 13th salary payments and relatively stable lease payments resulted in a tighter EBITDA to operating cash conversion.

CAPEX was 419 million BRLs with ongoing investments in technology, infrastructure and fixed asset maintenance. We had investments that are not expected to occur next quarter, including a property acquisition in Rio de Janeiro and the opening of new units for 2026. We will be stricter with CAPEX, expected to range between 600 to 700 million BRLs.

Next slide leverage ended the year at 1.32x EBITDA. Based on our indentured covenants, we repurchased 20 million shares in the quarter totaling 384 million BRLs and the average cost of debt remained at CDI plus 1.11% with a 4-year duration. The next phase for the company continues to demand greater capital allocation discipline, finer CAPEX priority and an absolute focus on ROI for both past and future investments. Turning to cash position and debt amortization schedule.

Despite the increase in leverage, the company ended the year with a comfortable liquidity position. Free cash in December 25, 5.6 billion BRLs is more than enough to cover



amortizations for the next four to five years. This is a solid position that allows us to continue executing our operational transformation plan while seeking deleveraging opportunities. Thus, I want to emphasize that there is no short-term refinancing pressure from either a solvency or liquidity standpoint.

I will conclude the results presentation here before moving to the second part of my remarks, saying that as Jorge mentioned in this opening, we know these results are not yet good and frustrate expectations, but will continue working to reverse the scenario and that is what I want to discuss now.

So, starting the second part of my remarks, I take on this mandate with a sense of urgency and respect for Hapvida's history. Throughout this transition period, I have been actively listening to members, employees, brokers, providers and partners. This listening has reinforced a core conviction the company does not need to reinvent its model. It needs to return to executing the foundation with excellence, prioritizing what truly moves the needle and adapt execution, especially in less mature and more complex markets. The tone for 2026 is clear, nonnegotiable quality in delivery, cost austerity and integrity in relations with the entire ecosystem.

The recovery will not come from a single measure or a silver bullet. It will come from a clear direction, well defined priorities and more precise execution calibrated to the reality of each market and anchored in data. Many of these fronts are already underway while others are being developed and grounded in data driven and a data driven paradigm shift.

The central theme for the company's new agenda is customer experience coupled with cost management. The member journey needs to be more fluid, predictable and effective in resolution from accessing and scheduling to authorization service and clinical outcomes. This is not just a perception-based agenda, it's an agenda focused on retention, quality, compliance and efficiency. When the experience improves, churn drops, litigation decreases, conversion increases and operations become more efficient. Therefore, we are structuring this front at an executive level with objective targets including a significant reduction in customer service calls and formal complaints that NIPs overtime.

Our 2026 agenda boil down to three priorities. First, returning to rational growth in markets where we lost traction. Second, recover margins through higher own network occupancy and better care management and third, protecting cash flow with tighter capital discipline and lower operational volatility.

To this end, we have grouped numerous initiatives into five broad pillars.



First is the foundation of all transformations in our people. Operational transformation is only sustainable with great people, an execution culture and management discipline. We are reviewing and streamlining companies and VP level KPIs and migrating to across functional OKRs model with clear priorities, defined responsibilities and greater integration across areas. We want an organization that is more data driven, less dogmatic, more agile, with higher accountability and a stronger commitment to continuous improvement. Shortly we'll announce the new organizational architecture and the mission of each executive to the market.

The second pillar is commercial and positioning. In October we launched a comprehensive commercial strategy review to understand in detail what needs to change in each market, channel and segment. This work is already advanced in the São Paulo metropolitan area for retail, is being expanded to corporate and will move upstate to also Rio, Belo Horizonte and in the south, parallelizing where possible within a framework built for the São Paulo metropolitan area by a multidisciplinary team involving commercial, M&A, data engineering and the BCG team, a specialized consultancy firm.

The goal is not growth at any cost, it's actually to return to rational growth with better conversion, better retention and a value proposition that is better suited to each market. We are treating each market as its own microcosm, considering portfolio density, TAM competition channels, network and client profile. A key part of this effort is correcting overly standardized decisions made after system integrations, especially in the south and Southeast markets where local adaptation is decisive. In mature regions like the North, Northeast and Midwest, the focus is on preserving market share, productivity and commercial intensity. We cannot lose focus where we are already really strong.

These are the mandates for our new commercial VP Allan, to whom I am entrusting this mission and who knows this company like few others, organizational review, focus and data driven decisions to identify gaps and opportunities.

The third pillar is operational. Today we have the largest hospital network in Brazil. We are reviewing operations by regions using internal benchmarking across our dozens of assets to identify best practices and where we need to course correct.

A central point of this agenda is the review of clinical protocols and standards from which we expect to capture benefits this quarter. Starting this quarter, we're also taking a harder look at occupancy and capacity in our health care portfolio. Eid assets destroy returns. Where there is room to fill capacity by selling services, we will act. Where there is no economic rationale to sustain fixed costs, we will adjust capacity. Not every market requires the same degree of verticalization and not every battle needs to be fought. We



will allocate capital and operations where there is a best balance between care growth and return.

Two projects illustrate this agenda well. The first is a broad process review at Hospital the Bosque, a model hospital that is using Kaizen methodology to streamline workflows, eliminate waste and then scale best practices. The second is using Databricks to improve demand forecasting and physician staffing, which is a heavy line in our statements. We're still in the early stages, but we see significant potential for efficiency and quality gains, which also helps with our customer service complaints and formal complaint agenda.

The fourth front is technology. Less entropy, more focus, less parallelization, more sequencing. We face a significant challenge in building a tech culture starting from the IT department, and for that we need to change how we work. The goals are to reduce costs, gain scale and improve customer experience. We'll streamline legacy systems, particularly SIGO, our transactional system, better integrate core systems and automate processes like the contract center to reduce friction and increase productivity. This should help us better serve the members, act more preventively and improve metrics such as churn, LTV and operational efficiency. Another pillar is making more decisions based on data and mathematics, especially in an operation as complex as ours. To achieve this, we're improving data quality, standardizing flows and strengthening the technological foundation that supports this transformation.

The fifth front is informational management and control. The company's recovery demands selective CAPEX, continuous review of the asset base, a focus on returns and a conservative capital structure. We have now moved to a weekly view of our commercial performance by market, channel and product and we're evolving toward an even more frequent reporting system. We're also expanding our forward-looking view of operations with a greater ability to integrate, anticipate deviations and act sooner. This combination of financial discipline and faster information flow will be one of the pillars of Hapvida's next stage. We expect to share with you our new financial performance visibility by a more detailed market clusters in the future, which should assist in assessing the company's intrinsic and fair value.

I know the current moment generates skepticism, and that skepticism is understandable. We will not rebuild credibility through promises or speeches. We will rebuild it through execution numbers and consistent results over the coming quarters.

Closing my remarks I want to publicly thank Jorge. He doesn't like being praised publicly, I know, but I must say here that I have learned a lot from him since joining the company. He believed in me when he invited me to be a director in the finance department in 2019



when I moved to Fortaleza, when I had no white hair. And he believed in me again in 2023 when I was not an obvious choice.

And he believed in me again as CTO in 2025 and now as his successor after he built this empire that is Hapvida today. Jorge, words cannot express my gratitude to Dr. Candido and Dr. Candido Jr. And you for the trust placed in me.

I could not have had better mentors in this transition process which was designed and has been overseen by the Board. Beyond the Family. I thank Galló, Nicola Piani, José Luís, Caca and Maria Paula. I appreciate your trust and partnership.

Finally, I want you to know that I understand the magnitude of the challenge and I am extremely happy and motivated to be where I am given the scale of the opportunities I see. And this motivation makes me wake up early every day and come to work full of energy for you and because of you, and also for the business model that brings health care to so many people in our country and depend on us, for our shareholders who continue to trust us and for our employees who deserve to be proud of being here with us.

It's for you that I will continue working to preserve Hapvida's legacy and take it even further. Thank you.

**Operator:**

We'll now open for questions. Now we're starting the Q&A session. When your name is called a pop up to unmute your mic will appear on your screen. Please unmute and ask your question. Please ask all of your questions at once.

So, let's get started. The first question is by Vinicius Figueiredo with Itaú BBA. Vinicius, please unmute and ask your question.

**Vinicius Figueiredo – Itaú BBA:**

Good morning', everyone. Thank you for taking my question. Well, I'd like to further discuss the last slide presented by Luccas about the commercial agenda for 2026 and beyond. Can you please give us some more color about how the focus on resuming growth, especially when you are redesigning products and you want to improve satisfaction levels and you want to have better price adherence in your addressable market. How can all of that be joined with the short-term scenario? I understand your cost agenda that needs to be implemented, but I believe this is more long term, whereas the commercial agenda is more short term and should be implemented in early 26? I believe



so. Can you tell us what the priorities are here? The verticalized plan or products that have your essence. Smart 200, 300, 400.

And another topic I'd like to explore is looking at the short-term horizon and more challenging margins, are there any levers that you can see in addition to CAPEX reduction to improve cash conversion? In your remarks you talked about shutting down units with idle capacity, but does that also include the possibility of leaving one specific region or another that has, you know, idle capacity? And that doesn't make sense to operate in a verticalized model you know, such as the south and the state of Minas Gerais. Thank you very much.

**Jorge Pinheiro - CEO:**

Well, Vinicius, thank you for all your great questions. In line with our transition strategy, Luccas will answer the questions. If you have any questions about succession and strategy, I'm here to help. But please, now I'd like to turn the floor over to Luccas.

Thank you, Jorge. And thank you, Vinicius. Well, actually, it's the opposite. The cost initiatives can help us control costs in the short term.

So, in our view, the maturation of these initiatives is quicker than commercial initiatives. So, we've been reviewing cost parameters that had a mismatch from Q2 to Q3 last year. So, we continue this journey of reprofiling our cost structure and we are excited about this. And in the commercial part, we have a great challenge of completing the implementation of the diagnosis we made so that we can resume competitiveness in certain locations.

For example, we can sell products in unexplored markets like senior for individuals, where we have great verticalization, or sell products in regions that are not there. So, there are many elements here that we could list. We actually have an eight page list about product hierarchization and the goals to resume competitiveness in markets that have been using our net adds. In the North and Northeast, we have a strong position based on our value proposition.

But in mature regions, this has been intensified. There are many opportunities that we aim to capture by adjusting the value proposition, product and network, and delivering satisfaction to our members. So, there are many opportunities. There's no silver bullet.

As I said, it's not like, oh, if I tweak this switch, I will unlock a great opportunity. It's actually a set of initiatives that are being implemented by the company and will continue to be implemented in the coming quarters to control costs and resume growth in those markets.



The second question about leverage. We've been very carefully internally to assess possibilities of operational deleveraging.

You know, closing down idle units, assess our guiding principle where we should focus our energy a bit more. So, this is something we've been doing internally and yes, it, it can help us to improve our deleverage journey from now on. Okay, good. So, this requires a careful decision.

You might decide that a verticalized structure in a region doesn't make sense and so you would move to third party providers. Or maybe this could evolve so that you would get to the conclusion that it's more sustainable to leave a region. Well, we have these two drivers, we can assess the possibility of leaving a certain region, but we can also assess the possibility of including third party providers in a region to have a stronger momentum in a plan and I mean, both initiatives are being studied. Yes, we've been doing that internally, focusing on these two fronts.

**Operator:**

Our next question is from Leandro Bastos with Citibank. Leandro, please go ahead, unmute and ask your question.

**Leandro Bastos – Citi:**

Well, I have two questions here on my side. The first is a follow up on what Vinicius asked. When you study fixed cost and possible cost rationalization, do you have a diagnosis or figures of possible savings? I would like to hear a bit about that. And my second question is about frequency. In January and February, the level was normalized, as you said. I know these are different drivers, but can we expect the MLR to grow in Q1? Thank you.

**Luccas Adib - CFO:**

This is Leandro, right? I know your voice well, about the first item. No, we're not sharing quantitative information about this. We will announce this to the market. Timely. But I can reassure you that these studies are being conducted by a senior team here at the company.

And we've been discussing this with the top management, about MLR. Yes, when we look at the first two months of the year, January and February, these are months that had more



normal frequency levels compared to historical levels. So, yes, we believe we're going to have a sequential improvement in MLR. That doesn't mean that the year will be easy. Of course, there are many challenges to overcome. But what we see in the short term is a sequential improvement of MLR. But the month of March is long and there is still a lot to happen, so we cannot anticipate our Q1 results. But yes, we expect improvement in MLR, especially when we compare 4Q25 to 1Q26.

**Operator:**

Our next question is from Joseph Giordano with JP Morgan. Joseph, please go ahead. Hi, everyone.

**Joseph Giordano – JPM:**

Good morning. Hello. Jorge and Luccas. Thank you for taking my question. I'd like to talk a bit more about governance. We see major changes in the company's strategic pillars in the short term. So, Jorge, what are the top three to five KPIs that you ask from Luccas and the team in 26?

And Luccas, what should we be tracking to understand your main pillars? Because change is never linear and there are many small things that you do, and when they accumulate, they can have a large impact. So, what should we be tracking in the first three to four quarters of your management to understand the trajectory of this transformation in the company.

**Jorge Pinheiro - CEO:**

Thank you. Hey Joseph, thank you for your questions. If I could summarize into three indicators. I mean our targets are much more expensive, but the top three indicators and this is something that we from the board will look into in detail and will intensively take part in our committees.

The first one is user experience. We have something unique built which is the first national verticalized network. And because of that we have opportunities like no other company in Brazil which is to be there in all the contact points through the journey, from the simplest to the most complex procedure, starting in sales. So, our main focus, and Luccas will give you details about this in a few weeks about the team that was set up for technology, not only the technical team, but the people who will be in the group, the tech savvy guys. And



our focus will be on streamlining and creating a seamless, smooth and smart journey and a very dynamic one as well.

This will reduce friction and we'll be able to be more preventive and smarter when providing care. And the second one is deleveraging. Although we do have comfortable leverage levels right now compared to the rest of the market, still we don't think it's ideal considering our long-term beliefs. So, we do have strategies and Lukas has talked about that. It's not only about cash generation, but there are other possibilities that will help us with deleverage, and third growth. This company, like no other company in Brazil, can make some fine tuning and go back to an accelerated growth journey. That's all. Now I turn the floor over to Luccas.

**Luccas Adib - CFO:**

Thank you for your question, Giordano. Well, the main KPIs are nothing new. We're not reinventing the wheel. But my main guiding principles are FCF and deleveraging. This will be used for most of the decisions made at the company and as a consequence better control of MLR and positive net adds.

So, resume growth after this period of consolidation and integration. We need to resume growth and growth at a pace that matches our capacity. And finally, NPS customer experience. Like Jorge said, we're going to focus on NPS by market, by hospital, so that we understand what is working and what is not and have this active listening with a statistics scorecard that defines what needs to be adjusted and what is actually hindering the perception of quality and value perception. So, these are the top KPIs that I've been tracking, the board is tracking and that you can also track. Great, thank you so much.

**Operator:**

Our next question is from Samuel Alves with BTG Pactual. Samuel, please go ahead. You have the floor.

**Samuel Alves – BTG:**

Good morning, Jorge, Luccas and everyone. I have two questions here on my side.

Luccas talked about this in his remarks. He said, you intend to give more detailed information by market, but can you give us an idea of the EBITDA margin magnitude in the north and Northeast today? We'd like to understand, understand if those operations



are also losing profitability, because if that's not true, the south and Southeast operations would be below break even. Is that correct?

And my second question is more strategic. Luccas talked about the growth resumption plan, but it's a fact the company has been facing many challenges in recent years, many of them that go beyond your control, like industrialization, autism, fines. So, my question is, do you consider Plan B to resume growth in order to buy some time, for example, a formal divestment agenda or, you know, raising capital through divestment? Is that a possibility? And can you tell us more about some of these challenges? Can they be more persistent than expected? That's all. Thank you.

**Luccas Adib - CFO:**

Hi, Samuel. Thank you for your question. Well, about south and Southeast and north and Northeast, we will choose how to share that information if this should be done in the earnings release or in other situations. But the north and Northeast operations are very healthy and we have many challenges in the south and Southeast, as you know and you are able to understand through standalone balance sheets of our entities and other documents. So, that view between north and Northeast and south and Southeast is relatively clear when it comes to that.

And about a Plan B. Yes, in an agnostic and scientific way. We've been assessing the steps we should take in order to resume growth. We see many opportunities. As a reminder, from 2019 to 2025, you know, we made many acquisitions and we had to go through the integration processes. There is a lot of bibliography about how to make an M&A the buy side, the sell side, understand everything about that, but there is very little literature about integration. And the company spent five years integrating legacy operations that were not that mature in adverse scenarios. And you might ask, oh, but your system was implemented in 24 and 25, should already have been a clean year. That's not how things work. We have a technical and technical strategic direction. And we've been through a lot in recent years. And there's a lot of opportunities for us to capture in many different markets. And we will capture them. I'm very confident about that.

Now, if in terms of capital allocation, we see it makes sense to leave a region to focus on another region, we'll do that. And that decision will be agnostic and scientific, as it should be. And these are the conversations we've been having internally. And we have to remember, Samuel, although the reporting we're doing here is about a leverage, that is coupled with our structure, we have a solid cash position to pay our debts in the coming years.

So, there is no need to discuss here any radical move in our capital structure for solvency and liquidity. We can consider that thinking about optimal capital location. Oh, should we



leave this region in order to focus more here? Yeah, we can assess that possibility. Should we deliver the company faster in order to leave a non-mature region aside and focus on another region? São Paulo is a very deep region. We have many interesting initiatives to capture in São Paulo. This is the heart of the company. And there are other regions that are farther away with smaller potential. So, we are assessing all of that very strictly and we'll keep you updated about that. Okay, thank you, Luccas. I wish you all success in your new position. Thank you very much.

**Operator:**

Our next question comes from Eduardo Resende with UBS. Eduardo, please go ahead.

**Eduardo Resende – UBS:**

Good morning, everyone. I have two questions here on my side as well. First, can you give us some color on the CAPEX guidance for 26? You said it's around 600 to 700 million. Does that also include the intangible CAPEX or not? And what is your pipeline in terms of opening new units in 26?

Can we expect anything to be opened in the first quarter or only later on in the year? And now can we talk about NET adds for Q1? You said in the beginning of your remarks that you expect a better trend here than we saw in Q4. But the seasonality is usually worse in Q1. So, does that improvement include the effect of these commercial initiatives or has there been anything more specific in Q4, such as, you know, a large customer leaving? Just so I understand why you expect this improvement in Q1.

**Luccas Adib - CFO:**

Thank you. Okay, so your first point was about CAPEX and the intangible, whether the intangible is included there? Yes, 600, 700 million includes intangible and fixed assets. We're talking about the whole company apparatus plus fixed assets. So, this will be a stricter year. We see many opportunities to reprofile the investments we make in intangible assets here. There is room for improvement in how we allocate these proceeds to generate more impact for the company. And of those 600 to 700 million, there is nothing relevant in terms of opening new units for 26 on the contrary, we're actually considering shutting down units. So, we're not going to have incremental OPEX in relation to that CAPEX and we don't have a relevant number of units to be opened throughout the year. On the contrary.



Now your next question. Yes, we see an improvement going beyond the seasonality of Q1, but we haven't closed the numbers yet. We need to wait for the Q first earnings release in a month and a half and we'll be able to give you further details about that. But we're excited about the performance of the first quarter.

**Operator:**

Next question comes from Flávio Yoshida with Bank of America. Flavio, please go ahead.

**Flávio Yoshida – BofA:**

Hi everyone. Good morning. You've talked a lot about the growth opportunities, and I'd like to understand a bit more about the MLR dynamics. Early this week we had access to ANS data and what we saw was that there was a worsening in region 1 and an improvement in the Southeast. So, is this what you see internally there or was there anything that can explain a mismatch between ANS data and your internal view?

And my second question is about ANS fines. We see a significant increase for the second quarter in a row, and we see ANS's task force to analyze those fines. But I just want to understand what we can expect in terms of the level of fines for the coming quarters. Will the 2025 fines be assessed in Q1 or will we see a more diluted effect throughout 2026? Thank you.

**Luccas Adib - CFO:**

Thank you for your question, Yoshida. So, first, about the MLR dynamic. This is related to frequency, new units and top line.

Like I said in my introductory remarks about the ANS GAAP and IFRS. This is a quite Contaminated view because of the allocation of expenses that are made between the entities. So, the ANS data does not match the IFRS data. We have some provisioning elements in IFRS, but not that generate a finance GAAP. So, there's always a mismatch there. And about ANS fines, we expect this to be normalized in the coming quarters because we decrease by half the number of formal complaints or NIPs that we have been having. So, we expect this to drop significantly in the coming quarters.

**Operator:**

This completes the Q&A session. Thank you for joining Hapvida's fourth quarter 2025 Earnings Conference Call. The IR team remains at your disposal. Thank you all for joining and have a great day!