

3Q24

Earnings Release



Earnings Call Presentation

November 13th, 2024 (Wednesday)

Portuguese (with simultaneous translation to English)

8am (EST – NY) | 10am (BRT)

ri.hapvida.com.br/en

Summary

In the quarter, the company reported net growth of 8,000 health beneficiaries after a long period of optimizing its client portfolio. At the same time as improving its commercial performance, the company remained disciplined in its strategy of recovering margins to increasingly healthy levels.

The resilient underwriting strategy and responsible cost management enabled the company's Cash Medical Loss Ratio to show a significant reduction of 3.1 p.p. compared to 9M23.

Throughout the quarter, the company continued to generate healthy cash flows, allowing it to continue the gradual process of deleveraging and increasing capital expenditures in the qualification and expansion of its own network.

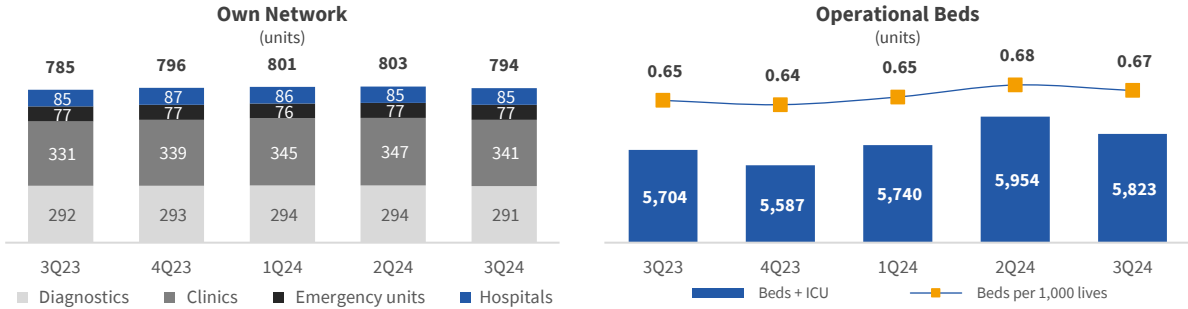


1) Contractual covenant

Operational Highlights

OWN NETWORK

At the end of the quarter, we had 85 hospitals, 77 emergency units, 341 clinics and 291 diagnostic imaging and laboratory collection units, totaling 794 of our own care units throughout Brazil.

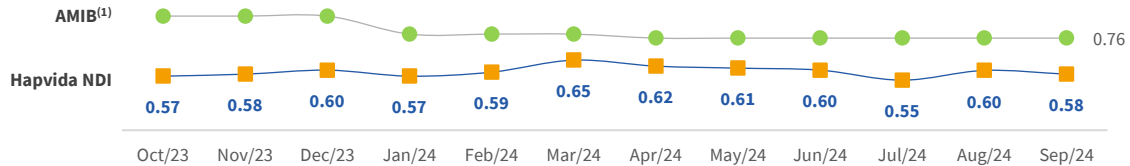


QUALITY OF CARE & CARE FOR PEOPLE

Quality of Care and Care for People of our more than 15 million beneficiaries has been an increasingly important topic for the Company's management. Since 2023, important efforts have been made to ensure continuous improvements in the operation, which is in the final phase of integration. As part of this process, units in the South and Southeast regions of the country, including São Paulo, started to incorporate the indicators below after the migration of systems and standardization of protocols.

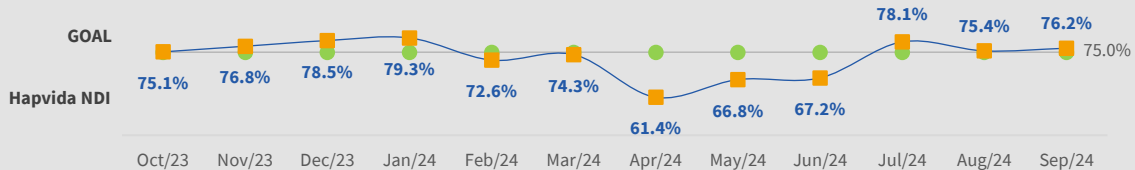
SMR - Standardized Mortality Rate in ICU

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.



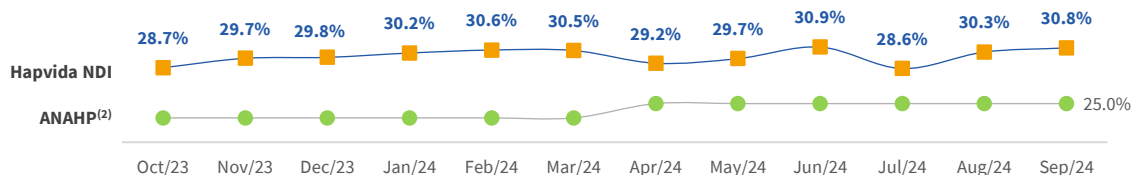
Waiting times in Emergencies

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



Natural Births

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

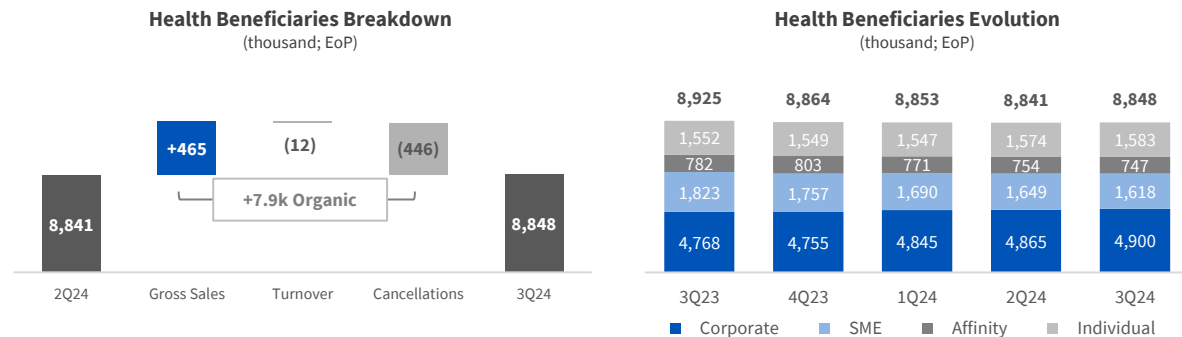
In 3Q24, Net Revenue totaled R\$7,337.8 million, an increase of 6.6% when compared to the previous quarter, benefiting mainly from growth in the Health and Dental Plans business lines, as a result of price readjustments necessary for the financial balance of the contracts and the recomposition of the average ticket. This strategy more than offset a slight drop in the number of beneficiaries in 3Q24 compared to 3Q23, the reduction in Medical and Hospital Services Revenue, and the discontinuation of other business lines in Other Activities.

(R\$ million)	Var. %			Var. %			Var. %	
	3Q24	2Q24	3Q24/2Q24	3Q23	3Q24/3Q23	9M24	9M23	9M24/9M23
Health Plans	7,189.5	6,983.3	3.0%	6,663.3	7.9%	21,036.3	19,800.6	6.2%
Dental Plans	218.9	215.0	1.8%	211.4	3.5%	648.6	623.8	4.0%
Hospital Services	243.5	246.8	-1.3%	323.6	-24.8%	708.8	908.8	-22.0%
Other Activities	-	-	n/a	26.4	-100.0%	-	141.7	-100.0%
Gross Revenue	7,652.0	7,445.1	2.8%	7,224.7	5.9%	22,393.7	21,474.9	4.3%
Deductions	(314.2)	(294.7)	6.6%	(342.8)	-8.3%	(914.1)	(1,027.0)	-11.0%
Net Revenue	7,337.8	7,150.4	2.6%	6,881.9	6.6%	21,479.6	20,447.9	5.0%

HEALTH PLANS

Net revenue from Health Plans totaled R\$7,189.5 million in 3Q24, growth of 7.9% compared to 3Q23, as a result of an increase in the average monthly ticket, that went from R\$251.8 in 3Q23 to R\$276.0 in 3Q24.

Beneficiaries



After a period of optimizing the beneficiary base, reflecting the efforts needed to regain healthier margins, the company reported net growth of 7.9 thousand health plan beneficiaries this quarter compared to 2Q24.

The HMO segment (which favors our own network) showed net additions, mainly in the North, Northeast and in the state of São Paulo, surpassing the net losses in the South, Minas Gerais and in preferred provider organization plans (PPO) (a product line with a wider network of providers).

The main impacts for the quarter are:

- Addition of 465.4 thousand beneficiaries, as a result of robust gross sales (259.4k Corporate, 81.1k SME and 124.9k Individual/Affinity);
- Loss of 445.5 thousand beneficiaries, impact of the readjustments necessary for the economic balance of the contracts and of the optimization, verticalization and integration processes (217.7k Corporate, 105.8k SME and 122.0k Individual/Affinity); and
- Net loss of 12.0 thousand lives due to negative turnover (net dismissals and admissions within existing corporate contracts).

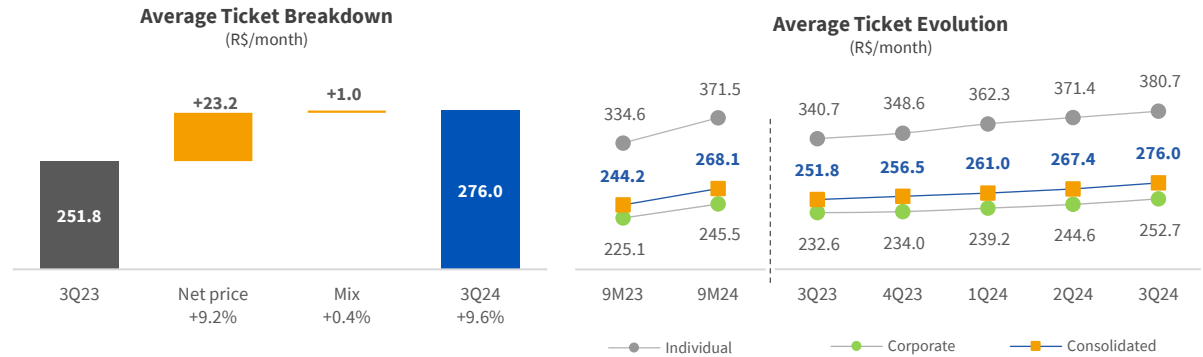
At the end of 3Q24, the company had 386,900 beneficiaries in preferred provider organization plans (PPO), a net reduction of 14,100 compared to 2Q24, due to our strategy to rationalize this portfolio.

HEALTH PLANS

Average Ticket

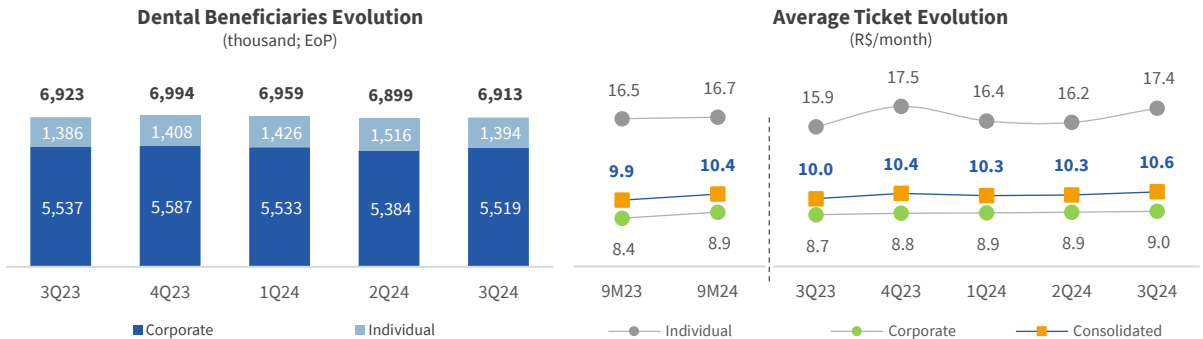
In 3Q24, the consolidated average health ticket increased by 9.6% between 3Q23 and 3Q24, reflecting the strategy of repricing and reviewing the client portfolio. The main impacts on the average ticket over the quarters are:

- +9.2% of Net Price, represented by the necessary adjustments to existing contracts, already net of the effects of product changes with increased vertical integration and co-participation; and
- +0.4% positive net impact of the sales mix and cancellations, given the entry of customers with a higher average ticket than that of customers who left the plan.



DENTAL PLANS

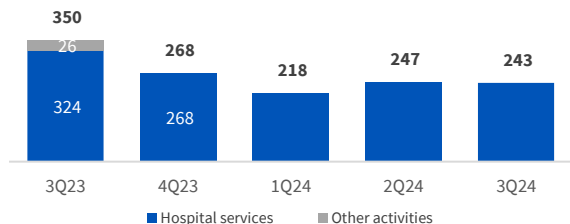
In 3Q24, revenue from Dental Plans reached R\$218.9 million, an increase of 3.5% compared to 3Q23, driven by the increase in the average monthly ticket (from R\$10.0 in 3Q23 to R\$10.6 in 3Q24). It is important to note that the dental plans operation's Cash MLR has remained under control year after year, allowing for lower adjustments.



Hospital Services & Other Activities

In 3Q24, revenue from Hospital Services and Other Activities reached R\$243.5 million, a reduction of 30.4% compared to 3Q23, mainly due to:

- Decrease of **R\$80.1 million** in Hospital Services, reflecting the lower demand in the 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\$26.4 million** in Other Activities due to the divestments of São Francisco Resgate, Maida Health and occupational health business.



MEDICAL COSTS AND CASH MLR

The total cost of services rendered is made up of Cash Medical Losses, Depreciation and Amortization (D&A), Incurred But Not Reported (IBNR) and SUS Reimbursement provisions, as detailed below:

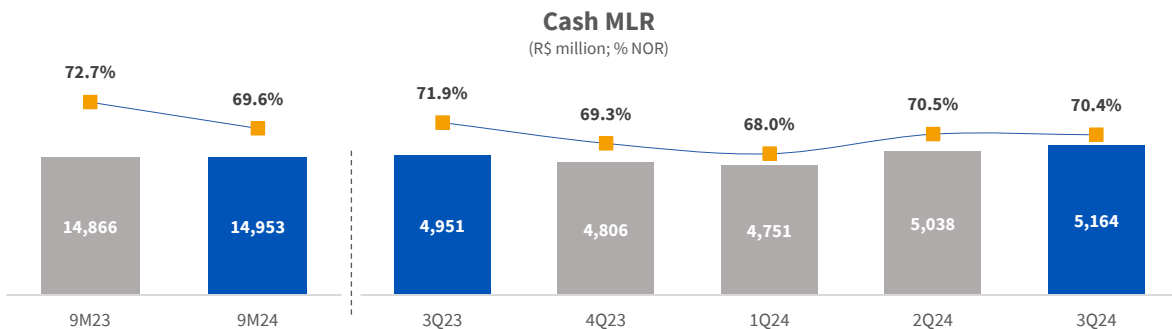
(R\$ million)	3Q24	2Q24	Var. % 3Q24/2Q24	3Q23	Var. % 3Q24/3Q23	9M24	9M23	Var. % 9M24/9M23
IBNR	21.4	(37.7)	n/a	(8.0)	n/a	(15.3)	19.1	n/a
SUS Reimbursement	57.9	58.1	-0.3%	51.1	13.4%	168.4	171.7	-1.9%
Depreciation and Amortization	120.9	103.8	16.5%	105.6	14.5%	337.0	318.7	5.8%
Cash Medical Losses	5,163.6	5,037.7	2.5%	4,950.7	4.3%	14,952.7	14,865.9	0.6%
Cash MLR	70.4%	70.5%	-0.1pp	71.9%	-1.5pp	69.6%	72.7%	-3.1pp
Total Medical Costs	5,363.8	5,162.0	3.9%	5,099.4	5.2%	15,442.8	15,375.4	0.4%

Highlights for 3Q24 are:

- **R\$21.4 million** net increase of IBNR provisions due to stability in internalization levels, growth of beneficiaries in relation to 2Q24 and the evolution of the average cost per capita; and
- **R\$57.9 million** of SUS provision, an increase of R\$6.8 million vs. 3Q23, according to the receipt of charges and invoices presented by Brazilian regulatory agency ANS.

Cash MLR

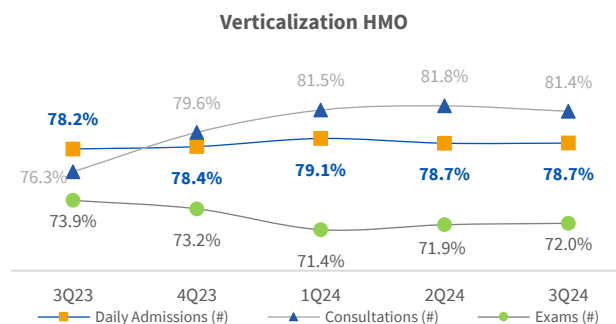
Cash Medical Losses is the most important item in the cost of services provided and reflect the actual cost of care. Cash Medical Loss Ratio (Cash MLR) is the total Cash Medical Losses divided by Revenues. As such, Cash MLR is affected by cost control initiatives, increases or decreases in the level of utilization, verticalization and seasonality of the business.



In 3Q24, Cash MLR was 70.4%, a significant improvement of 1.5 p.p. compared to 3Q23, and a reduction of 0.1 p.p. compared to 2Q24. Cash MLR for 3Q24 reflects the segment's inherent utilization levels for third quarters, aggravated by the long periods of drought and sudden variations in temperatures this year, as well as the indirect impacts of the postponement of elective appointments in 2Q24 due to the dengue epidemic in some regions during that period. However, the company was able to overcome the historical seasonality for the quarter, as well as those extemporaneous events through the various successful margin recovery strategies developed since the beginning of 2023.

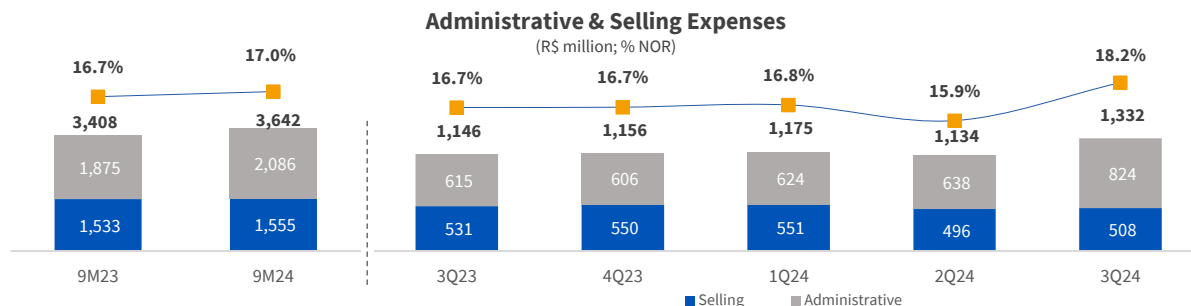
Cash MLR, went from 72.7% in 9M23 to 69.6% in 9M24, a reduction of 3.1 p.p., favorably impacted by repricing initiatives, increased sales of more verticalized products, increased verticalization, standardization of protocols, optimization of the provider network and by cost control and management measures.

In 3Q24, the HMO plans (HMO) have remained at the same high levels of verticalization (carried out within the Own Network) since 1Q24, with 81.4% for consultations; 78.7% for daily admissions and 72.0% in exams.



ADMINISTRATIVE & SELLING EXPENSES

Selling, General & Administrative Cash Expenses – Cash SG&A for 3Q24 amounted to R\$1,332.3 million (18.2% NOR), an increase of 1.5 p.p. and 2.3 p.p. compared to 3Q23 and 2Q24, respectively.



Administrative Cash Expenses

(R\$ million)	3Q23	4Q23	1Q24	2Q24	3Q24	Var. R\$ 3Q24/2Q24
Personnel	287.8	237.8	257.9	273.9	283.9	10.0
Third Party Services	190.3	165.3	194.0	161.1	185.2	24.1
Occupation and Utilities	72.6	93.9	68.3	77.1	84.3	7.2
Contingencies & Taxes	96.6	122.1	117.7	154.8	306.5	151.7
Other (revenue)/expenses	(32.4)	(12.9)	(14.0)	(28.5)	(35.6)	(7.1)
Cash G&A	614.9	606.3	624.0	638.3	824.2	185.9
%NOR	8.9%	8.7%	8.9%	8.9%	11.2%	2.3%

In 3Q24, Administrative Cash Expenses totaled R\$824.2 million, an increase of R\$185.9 million compared to 2Q24. The main unfavorable impacts were:

- **R\$151.7 million** in Contingencies and Taxes, reflecting the increased judicialization of the sector and its impact on the company. This amount is the result of a higher volume of civil lawsuits, an increase in requests for court blockages and deposits, and a rise in the average values of the blockages over the last few quarters. Part of the amount provisioned (R\$80.0 million) this quarter correspond to previous periods;
- **R\$24.1 million** from Third Party Services, of which R\$2.2 million was due to consultancy services in connection with the integration and resizing of the business combination between Hapvida and NotreDame. In addition, in 2Q24 the item was positively impacted by (i) R\$8.9 million from the capitalization of investments in technology; and (ii) R\$10.5 million from the reclassification of expenses to costs, in line with accounting practices, both referring to previous periods, affecting comparability;
- **R\$10.0 million** in Personnel, mainly impacted by the receipt of R\$8.1 million in rebates from benefit plans, which had a positive and specific impact on 2Q24, an amount that was not repeated in 3Q24, affecting comparability; and
- **R\$7.2 million** in Location and Operation, with an increase of R\$2.4 million in charges for utilities, maintenance and cleaning. In 2Q24, the item benefited from a R\$5.0 million reclassification of expenses to costs, in line with accounting practices, referring to previous periods, affecting comparability.

The main favorable impact was:

- **R\$7.1 million** in Other income/expenses due mainly to: (i) R\$6.5 million from the extemporaneous recognition of a rebate with a partner company; and (ii) R\$4.9 million from discounts for the early settlement of contractual obligations in M&A operations.

ADMINISTRATIVE & SELLING EXPENSES

Selling Expenses

(R\$ million)	3Q23	4Q23	1Q24	2Q24	3Q24	Var. R\$ 3Q24/2Q24
Commission	334.9	332.1	315.8	314.3	333.7	19.5
Provision for credit losses	131.2	138.9	170.7	104.5	111.0	6.5
Marketing & Advertise	20.0	25.1	12.5	23.9	10.6	(13.3)
Personnel	33.4	43.1	43.6	42.1	43.2	1.1
Other expenses	11.7	10.9	8.7	11.1	9.4	(1.7)
Selling Expenses	531.2	550.0	551.2	496.0	508.0	12.0
%NOR	7.7%	7.9%	7.9%	6.9%	6.9%	0.0%

In 3Q24, Selling Expenses totaled R\$508.0 million, showing a dilution of 0.8p.p (% NOR) when compared to 3Q23 and R\$12.0 million above 2Q24, mainly due to the unfavorable impact of:

- **R\$19.5 million** in Commissions, with increases of: (i) R\$13.4 million in lifetime commissions, mainly due to the recognition of charges from previous periods; and (ii) R\$6.0 million in amortization of deferred commissions, reflecting the increase in gross sales and the reduction in the level of cancellations.

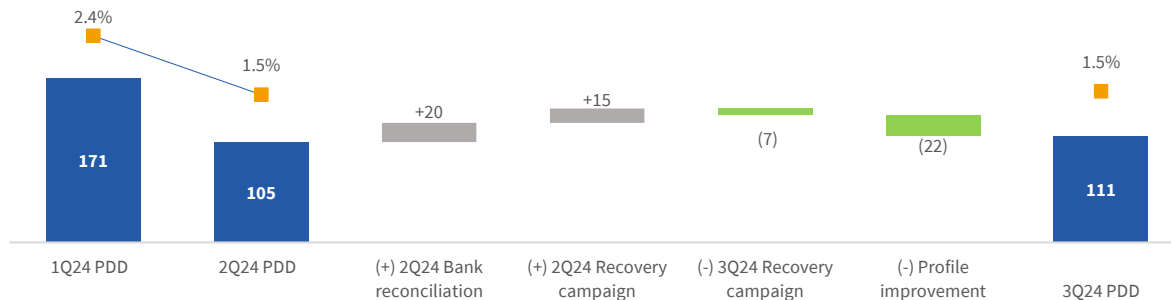
Which was partially offset by:

- **R\$13.3 million** in Marketing & Advertisement, reflecting the concentration of campaigns in 2Q24 and 4Q24 with higher investments compared to 1Q24 and 3Q24.

The company has been working to prevent and control the Provision for Credit Losses (PDD) and has seen significant improvements in this item.

Evolution of Provisions for Credit Losses

(R\$ million; % NOR)



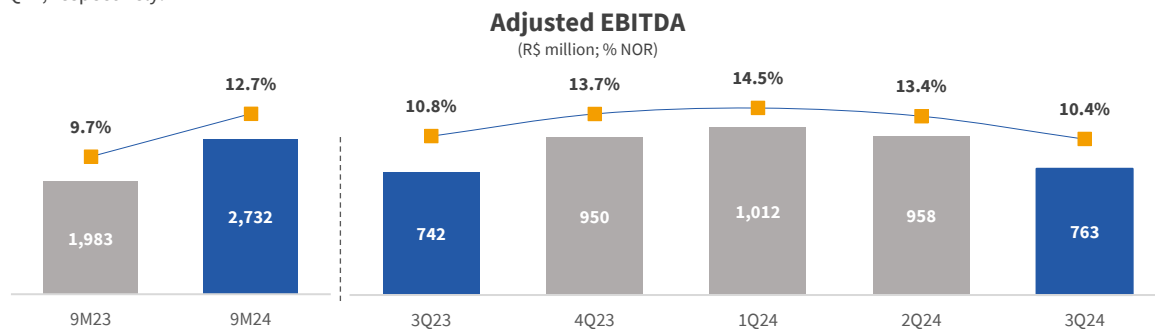
Initially, in 2Q24, PDD was positively impacted by (i) R\$20.0 million from the bank reconciliation of receipts from previous periods; and (ii) R\$15.0 million from the credit recovery campaign, amounts that were not repeated at the same level in 3Q24, affecting comparability.

In 3Q24, the credit recovery campaign, which offers attractive discounts to delinquent clients to settle their outstanding debts, had a positive impact of R\$7.0 million.

In addition, the Company's credit recovery and analysis efforts in recent periods have led to an improvement in the default profile.

ADJUSTED EBITDA

Adjusted EBITDA⁽¹⁾ for 3Q24 was R\$762.6 million (10.4% NOR), an increase of 2.8% and a decrease of 20.4% compared to 3Q23 and 2Q24, respectively.

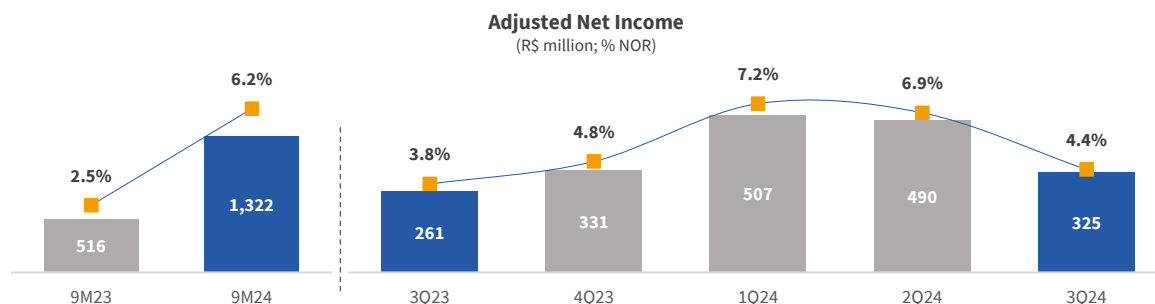


In 9M24, Adjusted EBITDA totaled R\$2.7 billion, representing significant growth of 37.8% compared to 9M23, even with a significant increase in provisions for civil legal contingencies. This performance mainly reflects:

- The consistent growth in Net Revenue, driven by the contractual readjustments implemented with the aim of promoting financial rebalancing; and
- 3.1 p.p. improvement in Cash MLR, the result of intense verticalization and cost control efforts, overcoming the seasonal effects observed in different quarters.

ADJUSTED NET INCOME

Adjusted Net Income⁽²⁾ totaled R\$324.5 million in 3Q24, an increase of R\$63.5 million compared to 3Q23 and a reduction of R\$165.8 million compared to 2Q24. In 9M24, the result was 156.3% higher than in 9M23.



(R\$ million)	3Q24	2Q24	Var. % 3Q24/2Q24	3Q23	Var. % 3Q24/3Q23	9M24	9M23	Var. % 9M24/9M23
Net Income (Losses)	(71.3)	90.5	<i>n/a</i>	(206.7)	-65.5%	102.5	(709.4)	<i>n/a</i>
(+) Long term Incentive Plan (LTIP) and SOP	32.8	30.5	7.5%	35.3	-7.3%	105.1	82.2	27.9%
(+) Intangible Amortization	363.0	369.3	-1.7%	372.0	-2.4%	1,101.7	1,082.5	1.8%
(+) Non-recurring expenses	-	-	<i>n/a</i>	60.4	-100.0%	12.3	60.4	-79.7%
Adjusted Net Income	324.5	490.3	-33.8%	261.0	24.3%	1,321.6	515.7	156.3%
(+) Income tax and social contribution	(20.5)	58.9	<i>n/a</i>	(59.0)	-65.3%	112.5	(75.1)	<i>n/a</i>
(+) Financial result	261.7	231.4	13.1%	371.4	-29.5%	749.3	1,048.4	-28.5%
(+) Depreciation and Amortization	196.9	177.3	11.0%	168.5	16.9%	548.7	493.7	11.1%
Adjusted EBITDA	762.6	957.9	-20.4%	742.0	2.8%	2,732.1	1,982.7	37.8%
%NOR	10.4%	13.4%	-3.0pp	10.8%	-0.4pp	12.7%	9.7%	3.0pp

(1) Adjusted EBITDA for Long-Term Incentive Plan (LTIP) expenses, Stock Option Plan (SOP), and non-recurring expenses

(2) Adjusted Net Income for Long-Term Incentive Plan (LTIP) expenses, Stock Option Plan (SOP), non-recurring expenses, and amortization of goodwill

FINANCIAL RESULT

Net Financial Result was a net expense of R\$261.7 million in 3Q24, a significant improvement of R\$109.7 million compared to 3Q23, reflecting the effects of robust cash generation, the ongoing work to lower the weighted cost of debt and the reduction in the CDI rate between the comparative periods.

(R\$ million)	3Q24	2Q24	Var. % 3Q24/2Q24	3Q23	Var. % 3Q24/3Q23	9M24	9M23	Var. % 9M24/9M23
Income from investments	203.3	200.2	1.6%	208.0	-2.2%	589.8	523.5	12.7%
Late payments penalties	28.3	28.9	-2.2%	28.6	-1.2%	86.3	85.7	0.7%
Indexation credits - SUS	15.2	16.0	-5.1%	20.6	-26.1%	47.5	60.7	-21.8%
Indexation credits - Other	18.7	18.7	-0.1%	30.5	-38.5%	55.6	77.2	-27.9%
Other financial revenues	6.9	3.5	98.1%	2.3	201.4%	17.1	12.0	42.1%
Financial Revenues	272.4	267.3	1.9%	289.9	-6.0%	796.3	759.1	4.9%
Interest on debentures and loans ⁽¹⁾	(332.4)	(327.9)	1.4%	(446.0)	-25.5%	(985.8)	(1,202.8)	-18.0%
Interest on leases	(83.5)	(79.5)	5.1%	(86.3)	-3.3%	(243.5)	(206.6)	17.8%
Indexation charges - Other	(84.6)	(75.0)	12.8%	(85.7)	-1.3%	(245.1)	(294.4)	-16.8%
Bank expenses	(8.1)	(8.1)	0.4%	(8.3)	-1.8%	(24.6)	(30.4)	-19.1%
Charges on Interest on Equity Received	-	-	n/a	(16.3)	-100.0%	-	(16.3)	-100.0%
Other finance expenses	(25.5)	(8.3)	206.9%	(18.6)	36.8%	(46.6)	(56.8)	-17.9%
Financial Expenses	(534.1)	(498.7)	7.1%	(661.2)	-19.2%	(1,545.7)	(1,807.5)	-14.5%
Net Financial Result	(261.7)	(231.4)	13.1%	(371.4)	-29.5%	(749.3)	(1,048.3)	-28.5%

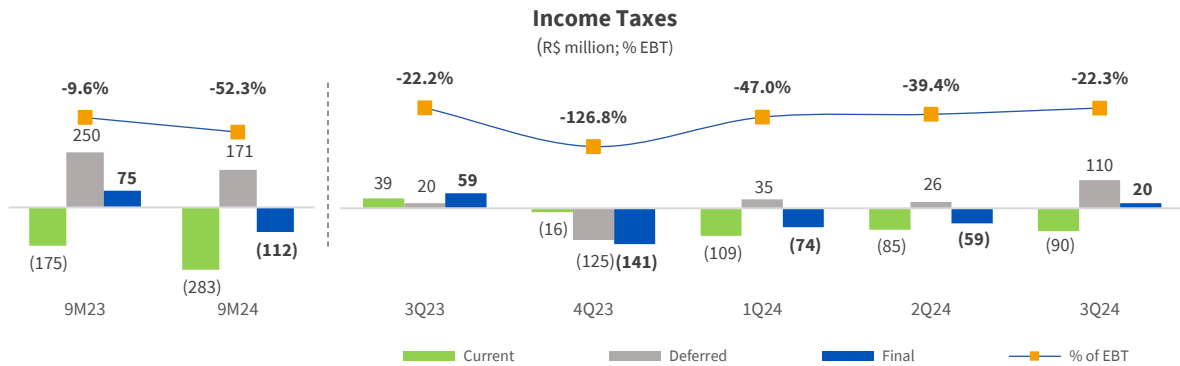
Financial Revenues in 3Q24 increased by R\$5.1 million compared to 2Q24, from R\$267.3 million to R\$272.4 million.

Financial Expenses went from R\$498.7 million in 2Q24 to R\$534.1 million in 3Q24, an increase of R\$35.4 million, mainly due to:

- **R\$9.6 million** in monetary restatements, mainly explained by the restatement of the SUS reimbursement liability, in line with the expenses and information provided by ANS; and
- **R\$17.2 million** in other financial expenses, mainly due to the re-profiling of debt (R\$6.0 million) and an increase in discounts granted (R\$3.3 million). Additionally, in 2Q24, there was a reclassification favoring the item by R\$7.3 million in exchange variation, an amount that was not repeated in 3Q24.

(1) Interest on debentures and loans, including: (i) Financial expenses with Interest on debentures; Interest on loans and financing; Derivative instruments - Debt/Equity and Exchange variation; and (ii) financial income with Exchange variation and Derivative financial instruments - Debt/Equity.

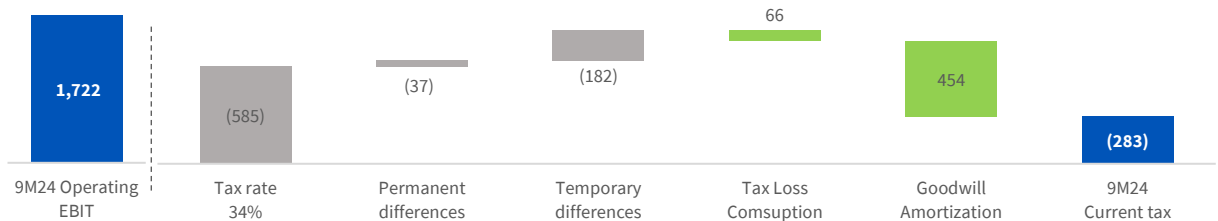
INCOME TAXES



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 the subsidiaries individually, for example.

(R\$ million)	Operational	Controlling	Consolidated
Current	(283.2)	-	(283.2)
Deferred	(338.8)	509.6	170.7

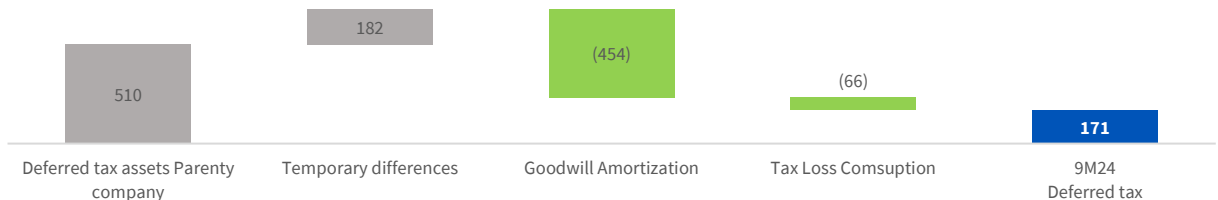
Current Tax - Operating



In 9M24, the Operating entities presented Current Tax of R\$283.2 million, mainly as a result of the gradual resumption of operating performance, of which R\$195.8 million in the NDI vertical and R\$87.4 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\$454.5 million) and the tax loss consumption (R\$66.2 million).

Deferred Tax - Operating

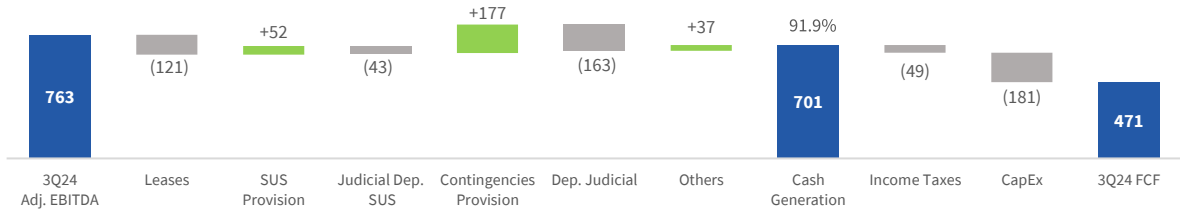


In 9M24, Hapvida Participações e Investimentos S.A. (parent company) recognized R\$509.6 million in deferred tax assets, of which R\$197.4 million in deferred tax on tax losses and R\$302.4 million on capital gains from the business combination with NotreDame Intermédica, which will be used after the legal entities are merged.

CASH FLOW

Net cash flow went from R\$8,345.0 million in June'24 to R\$7,927.2 million in September'24, and decreased of R\$417.7 million in 3Q24. This variation was mainly due to the consumption of (i) R\$995.9 million in principal and interest payments on debentures; and (ii) R\$96.6 million from M&A activities. The variation was partially offset by the generation of R\$471.5 million from Free Cash Flow.

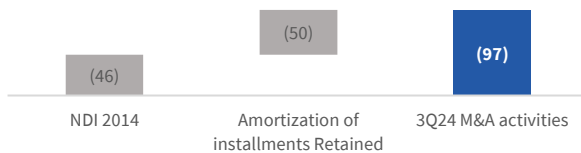
Free Cash Flow



Free Cash Flow was positive at R\$471.5 million and Cash Generation was R\$700.9 million, representing 91.9% of 3Q24 Adjusted EBITDA. The main uses of cash include:

- **R\$52.2 million** in SUS provision, net of monetary restatement;
- **R\$43.3 million** in SUS Judicial Deposit, net of monetary restatement, whose deposits are necessary for the Company to carry out its judicial defense without incurring late payment fines and charges;
- **R\$176.8 million** in Provision for Contingencies, net of monetary restatement, a procedural reflection of the growing judicialization in the sector;
- **R\$163.2 million** in civil, tax and labor court deposits, also net of monetary restatement, a procedural reflection of the growing judicialization in the sector;
- **R\$37.3 million** of cash generation from the Company's recurring activities;
- **R\$48.7 million** in income taxes, although the Current Tax was R\$89.7 million, in addition to the shift between calculation and actual disbursement, we also made use of R\$36.9 million in withholding tax for the year; and
- **R\$180.7 million** of CapEx, showing a gradual return to historical levels of investment, mainly in IT and our own healthcare infrastructure.

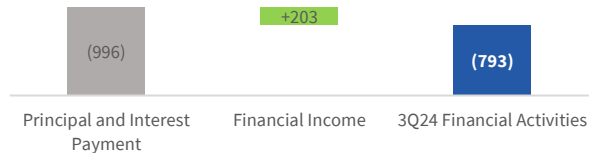
M&A Activities



M&A activities consumed R\$96.6 million, mainly explained by the disbursements of

- **R\$46.1 million** corresponding to the monthly installments of the agreement with the seller of NotreDame Intermédica (a transaction that took place in 2014); and
- **R\$50.5 million** in payments of installments withheld from acquisitions made by the Company:
 - R\$24.3 million from Santa Mônica;
 - R\$17.8 million from H. Duque de Caxias;
 - R\$8.4 million from RN Saúde and others.

Financing Activities

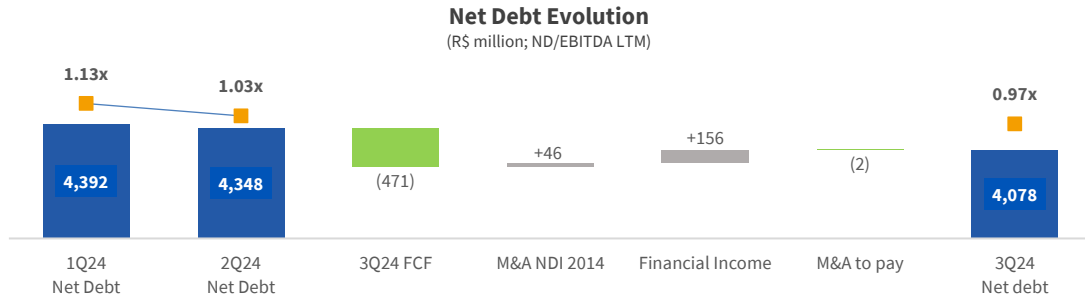


Financial Activities in 3Q24 consumed R\$792.7 million, mainly explained by:

- **R\$995.9 million** in principal and interest payments, using the funds raised in 2Q24.
- And partially offset by:
- **R\$203.3 million** in Financial Revenue, a yield of 2.5% on the Company's average cash, in line with the CDI yield in the period.

NET DEBT

Net Debt was R\$4,077.5 million (equivalent to 0.97x EBITDA - contractual covenant), a reduction compared to R\$4,348.4 million (equivalent to 1.03x EBITDA - contractual covenant) in 2Q24, mainly due to the Cash Generation.



Net Debt/EBITDA LTM calculation according to contractual covenants:

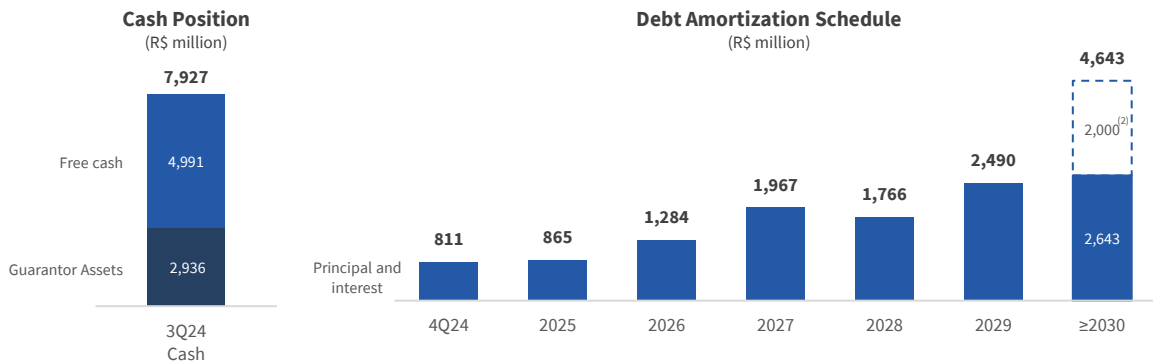
(R\$ million)	3Q24	2Q24	Var. R\$	Var. %
(+) Loans, financing and debentures	11,072.7	11,761.3	(688.6)	-5.9%
(+) Installments retained from acquired comp	796.6	829.2	(32.7)	-3.9%
(+) Derivative financial instruments	135.4	102.7	32.7	31.8%
Gross Debt	12,004.7	12,693.3	(688.6)	-5.4%
(-) Cash and cash equivalents and Investments	(7,927.2)	(8,345.0)	417.7	-5.0%
Net Debt	4,077.5	4,348.4	(270.8)	-6.2%
EBITDA LTM ⁽¹⁾	4,206.9	4,206.5	0.4	0.0%
Net Debt/ EBITDA LTM	0.97x	1.03x	-0.06x	-6.2%

DEBT

Constantly seeking to optimize its capital structure, in October'24, the Company concluded the 8th issue of debentures in the amount of R\$2.0 billion, divided into two equal series, with a cost of CDI+1.10% and CDI+1.20% and maturities in 2031 and 2032, respectively.

At the end of 3Q24, the company increased its duration from 3.3 years to 3.6 years and reduced its weighted cost of debt from CDI+1.44% p.a. in 2Q24 to CDI+1.39% p.a., including the new issue pro-forma.

Below is the debt amortization schedule (Debentures, Loans and Derivative Instruments) based on the September'24 balance sheet, including proforma for the new issue.



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

(2) Maturity of the 8th issue of debentures in 2031 and 2032

REGULATORY REQUIREMENTS

Technical Provisions

Free cash went from R\$5,479.7 million in 2Q24 to R\$4,991.0 million at the end of 3Q24, a reduction of R\$488.8 million.

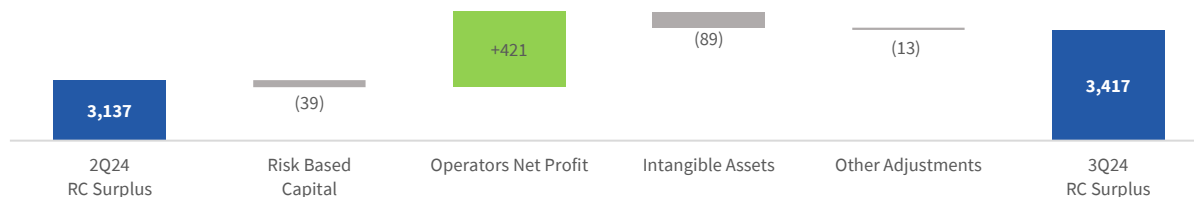
(R\$ million)	3Q24	2Q24	Var. R\$ 3Q24/2Q24	3Q23	Var. R\$ 3Q24/3Q23
Required Technical Provisions	(3,218.5)	(3,131.4)	(87.1)	(3,145.5)	(73.0)
(-) SUS Provisions (net of judicial deposits)	(1,161.4)	(1,130.8)	(30.6)	(1,405.1)	243.7
(-) IBNR Provision	(974.9)	(953.6)	(21.4)	(1,031.3)	56.4
(-) Outstanding claims reserve ⁽¹⁾	(1,079.3)	(1,044.0)	(35.3)	(705.2)	(374.1)
(-) Reserve for benefit granted	(2.9)	(3.0)	0.1	(3.9)	1.0
Assets	8,209.5	8,611.1	(401.7)	7,244.6	964.9
(+) Cash and financial investments	7,927.2	8,345.0	(417.7)	7,124.9	802.3
(+) Real estate pledged	282.3	266.2	16.1	119.7	162.6
Free Cash	4,991.0	5,479.7	(488.8)	4,099.0	892.0

Required Technical Provisions went from R\$3,131.4 million in 2Q24 to R\$3,218.5 million in 3Q24, an increase of R\$87.1 million due mainly to (i) medical costs received at the end of the quarter (Outstanding Claims Reserve); (ii) increase in the adjustments to the SUS reimbursement provisions in accordance with ANS rules; and (iii) IBNR's increase in the period with a stable level of internalization and growth in the portfolio compared to 2Q24.

Assets decrease by R\$401.7 million, of which R\$417.7 million refers to the net reduction in Cash and Financial investments.

Regulatory Capital

At quarter end, all the group's operators had a Regulatory Capital (RC) requirement surplus, totaling R\$3,417.3 million (simple sum of the operators), an increase of R\$280.4 million compared to 2Q24.



Risk-Based Capital increased by R\$39.1 million, from R\$4,333.6 million in 2Q24 to R\$4,372.7 million in 3Q24, due to the nominal increases in Revenue and Claims from the operators' recurring activities.

Adjusted Shareholders' Equity went from R\$7,470.5 million in 2Q24 to R\$7,790.0 million in 3Q24, an increase of R\$319.5 million, mainly due to the favorable effect of:

- **R\$421.4 million** of operators' net income.

And negatively impacted by:

- **R\$88.8 million** in Intangible Assets, mainly due to investments in technology.

(1) Represents the sum of the individual operators' Outstanding claims reserve before consolidations and eliminations

DISCLAIMER

Hapvida Participações e Investimentos S.A., informs its shareholders and the market in general that the financial information contained in this document, relating to the nine-month period ended September 30, 2024, was 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. 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 the applicable legislation and regulations, and which will result in different financial information from that presented in this material.

INCOME STATEMENT

(R\$ million)	3Q24	2Q24	Var. % 3Q24/2Q24	3Q23	Var. % 3Q24/3Q23	9M 24	9M 23	Var. % 9M 24/9M 23
Net Revenue	7,337.8	7,150.4	2.6%	6,881.9	6.6%	21,479.6	20,447.9	5.0%
Revenues from gross payments	7,408.5	7,198.3	2.9%	6,874.7	7.8%	21,685.0	20,424.4	6.2%
Revenue from other activities	243.5	246.8	-1.3%	350.0	-30.4%	708.8	1,050.4	-32.5%
Deductions	(314.2)	(294.7)	6.6%	(342.8)	-8.3%	(914.1)	(1,027.0)	-11.0%
Total Cost	(5,363.8)	(5,162.0)	3.9%	(5,099.4)	5.2%	(15,442.8)	(15,375.4)	0.4%
Change in IBNR	(214)	37.7	n/a	8.0	n/a	15.3	(19.1)	n/a
Change in SUS reimbursement provision	(57.9)	(58.1)	-0.3%	(51.1)	13.4%	(168.4)	(171.7)	-1.9%
Depreciation and amortization	(120.9)	(103.8)	16.5%	(105.6)	14.5%	(337.0)	(318.7)	5.8%
Cash Medical Losses	(5,163.6)	(5,037.7)	2.5%	(4,950.7)	4.3%	(14,952.7)	(14,865.9)	0.6%
Cash MLR	-70.4%	-70.5%	0.1pp	-71.9%	1.6pp	-69.6%	-72.7%	3.1pp
Gross profit	1,973.9	1,988.4	-0.7%	1,782.5	10.7%	6,036.8	5,072.5	19.0%
Gross margin	26.9%	27.8%	-0.9pp	25.9%	1.0pp	28.1%	24.8%	3.3pp
Sales expenses	(508.0)	(496.0)	2.4%	(531.2)	-4.4%	(1,555.2)	(1,533.2)	1.4%
Commission expenses	(333.7)	(314.3)	6.2%	(334.9)	-0.3%	(963.8)	(962.3)	0.2%
Provision for credit losses	(111.0)	(104.5)	6.2%	(131.2)	-15.4%	(386.3)	(411.3)	-6.1%
Advertise expenses	(10.6)	(23.9)	-55.5%	(20.0)	-46.8%	(47.1)	(43.6)	7.9%
Personnel	(43.2)	(42.1)	2.7%	(33.4)	29.2%	(128.8)	(97.0)	32.9%
Other sales expenses	(9.4)	(11.1)	-15.6%	(11.7)	-19.6%	(29.2)	(19.0)	53.8%
Administrative expenses	(1,334.8)	(1,137.8)	17.3%	(1,127.1)	18.4%	(3,594.5)	(3,309.1)	8.6%
Personnel	(283.9)	(273.9)	3.6%	(287.8)	-1.4%	(855.7)	(856.5)	-4.8%
Third party services	(185.2)	(161.1)	15.0%	(190.3)	-2.7%	(540.3)	(535.9)	0.8%
Occupation and Utilities	(84.3)	(77.1)	9.4%	(72.6)	15.0%	(229.7)	(222.8)	3.1%
Depreciation and amortization	(439.0)	(442.8)	-0.9%	(434.8)	1.0%	(1,313.4)	(1,257.6)	4.4%
Taxes	(29.9)	(24.5)	2.16%	(28.3)	5.6%	(78.7)	(86.5)	-9.1%
Provisions for civil, labor and tax risks	(276.6)	(180.2)	12.4%	(68.3)	305.0%	(500.3)	(224.0)	123.3%
Stock Grant and Stock Option Plans	(32.8)	(30.5)	7.5%	(35.3)	-7.3%	(105.1)	(82.2)	27.9%
Miscellaneous expenses	(3.2)	2.3	n/a	(9.6)	-66.4%	(114)	(43.6)	-73.8%
Other expenses/operational revenues	38.8	26.2	48.1%	(18.4)	n/a	77.3	33.8	128.9%
Operational income	169.9	380.8	-55.4%	105.8	60.7%	964.4	263.9	265.5%
Financial revenues	293.6	291.2	0.8%	288.1	1.9%	860.4	836.1	2.9%
Financial expenses	(555.3)	(522.6)	6.3%	(659.5)	-15.8%	(1,609.7)	(1,884.5)	-14.6%
EBT	(91.8)	149.4	n/a	(265.7)	-65.5%	215.0	(784.5)	n/a
IR and CSLL current	(89.7)	(84.5)	6.1%	39.2	n/a	(283.2)	(174.8)	62.0%
IR and CSLL deferred	110.2	25.6	330.5%	19.8	457.1%	170.7	249.9	-31.7%
Net income	(71.3)	90.5	-178.8%	(206.7)	-65.5%	102.5	(709.4)	n/a
Net margin	-10%	13%	-2.2pp	-3.0%	2.0pp	0.5%	-3.5%	3.9pp
Net income	(71.3)	90.5	-178.8%	(206.7)	-65.5%	102.5	(709.4)	n/a
(+) Long term Incentive Plan (LTIP) and SOF	32.8	30.5	7.5%	35.3	-7.3%	105.1	82.2	27.9%
(+) Intangible Amortization	363.0	369.3	-1.7%	372.0	-2.4%	1,101.7	1,082.5	1.8%
(+) Non-recurring expenses	-	-	n/a	60.4	-100.0%	2.3	60.4	-79.7%
Adjusted Net Income	324.5	490.3	-33.8%	261.0	24.3%	1,321.6	515.7	156.3%
Margin	4.4%	6.9%	-2.4pp	3.8%	0.6pp	6.2%	2.5%	3.6pp
(+) Income tax and social contribution	(20.5)	58.9	-134.7%	(59.0)	-65.3%	112.5	(75.1)	n/a
(+) Financial result	261.7	231.4	13.1%	371.4	-29.5%	749.3	1,048.4	-28.5%
(+) Depreciation and Amortization	196.9	177.3	11.0%	168.5	16.9%	548.7	493.7	11.1%
Adjusted EBITDA	762.6	957.9	-20.4%	742.0	2.8%	2,732.1	1,982.7	37.8%
Margin	10.4%	13.4%	-3.0pp	10.8%	-0.4pp	12.7%	9.7%	3.0pp

Some percentages and other amounts included in this document have been rounded for ease of presentation and may therefore differ from quarterly information tables and notes. Additionally, some total values in certain tables may not reflect the arithmetic sum of the preceding values. Values consider IFRS 16.

BALANCE SHEET

(R\$ million)	09.30.2024	12.31.2023	Var. R\$	Var. %
Assets	75,261.3	75,155.8	105.4	0.1%
Current assets	11,049.2	10,527.3	521.9	5.0%
Cash and cash equivalents	488.8	1,430.1	(941.3)	-65.8%
Short-term investments	6,915.3	5,573.5	1,341.8	24.1%
Trade receivables	1,757.2	1,610.0	147.2	9.1%
Inventory	389.5	318.6	70.9	22.3%
Recoverable tax	839.3	835.1	4.2	0.5%
Other assets	298.0	368.7	(70.8)	-19.2%
Deferred commission	361.1	391.2	(30.1)	-7.7%
Non-current assets	64,212.1	64,628.6	(416.5)	-0.6%
Long-term investments	523.1	886.3	(363.2)	-41.0%
Deferred taxes	3,610.6	3,096.1	514.4	16.6%
Judicial deposits	2,786.1	2,226.2	559.9	25.1%
Deferred commission	594.2	570.1	24.0	4.2%
Other credits with related parties	3.3	5.2	(1.9)	-37.0%
Derivative financial instruments	-	0.8	(0.8)	-100.0%
Other assets	168.6	121.8	46.9	38.5%
Investments	4.9	5.5	(0.6)	-10.5%
Property, plant and equipment	6,605.8	6,882.6	(276.7)	-4.0%
Intangible assets	49,915.5	50,834.0	(918.5)	-1.8%
Liabilities and shareholders' equity	75,261.3	75,155.8	105.4	0.1%
Current liabilities	7,225.3	8,538.3	(1,313.0)	-15.4%
Lending and Financing	602.6	2,109.9	(1,507.4)	-71.4%
Trade payables	236.5	292.0	(55.5)	-19.0%
Technical provisions for health care operations	3,843.9	3,999.4	(155.6)	-3.9%
Health care payables	67.5	58.0	9.4	16.3%
Payroll obligations	1,001.9	657.6	344.2	52.3%
Taxes and contributions payable	396.4	467.5	(71.0)	-15.2%
Income and social contribution taxes	151.7	28.3	123.4	436.6%
Dividends and interest on shareholders' equity pa	12.6	12.6	-	0.0%
Leases payable	481.2	475.2	6.0	1.3%
Derivative financial instruments	123.6	25.1	98.5	392.5%
Related party payables	4.0	5.7	(1.8)	-30.7%
Other accounts payable	303.6	406.9	(103.3)	-25.4%
Non-current liabilities	19,007.3	17,523.9	1,483.4	8.5%
Lending and Financing	10,470.2	9,416.5	1,053.7	112%
Taxes and contributions payable	133.2	161.4	(28.2)	-17.5%
Technical reserves for health care operations	1,477.3	945.5	531.9	56.3%
Leases payable	2,719.6	2,862.8	(143.2)	-5.0%
Deferred income tax and social contribution	1,607.2	1,263.5	343.7	27.2%
Provision for tax, civil and labor risks	1,483.8	1,267.3	216.5	17.1%
Derivative financial instruments	11.9	24.1	(12.2)	-50.7%
Other accounts payable	1,104.2	1,582.8	(478.7)	-30.2%
Shareholders' equity	49,028.6	49,093.6	(65.0)	-0.1%
Capital	38,866.2	38,866.2	-	0.0%
Treasury shares	(423.1)	(452.0)	28.9	-6.4%
Legal reserve	201.5	201.5	-	0.0%
Capital reserve	9,783.4	9,892.4	(109.0)	-1.1%
Profit reserves	599.9	599.9	-	0.0%
Other comprehensive income	(104.6)	(15.8)	(88.8)	5617%
Accumulated loss	102.2	-	102.2	n/a
Equity attributable to controlling shareholders	49,025.5	49,092.2	(66.7)	-0.1%
Non-controlling interest	3.1	1.4	1.7	24.3%

Some percentages and other amounts included in this document have been rounded for ease of presentation and may therefore differ from quarterly information tables and notes. Additionally, some total values in certain tables may not reflect the arithmetic sum of the preceding values. Values consider IFRS 16.

CASH FLOW STATEMENT

(R\$ million)	3Q24	3Q23	9M 24	9M 23
Net income	(71.3)	(206.7)	102.5	(709.4)
Adjustments to reconcile net income with cash	1,364.4	1,352.1	3,873.2	3,853.8
Depreciation and amortization	494.1	482.9	1,469.0	1,416.3
Depreciation of usage rights	65.8	57.6	181.4	160.0
Write-off of added value of fixed assets	-	-	-	93.6
Sale & Leaseback	-	(8.7)	-	(121.3)
Technical provisions for health care operations	21.3	(8.1)	(15.9)	18.8
Provision for losses on receivables	111.0	131.2	386.3	411.3
Write-off of property, plant and equipment	0.2	0.6	8.1	2.1
Write-off of intangible assets	-	147.6	4.3	179.9
Provision for tax, civil and labor risks	274.5	65.3	475.6	281.6
Income from financial investments	(203.3)	(206.6)	(589.8)	(517.4)
Adjusted market value of Short-term investments	-	(18)	0.2	(12)
Earning on derivative financial instruments	21.0	75.6	(6.4)	63.9
Interest and monetary restatement of leases	83.5	86.3	243.5	206.6
Interest and financial charges on loans and financing	311.8	361.7	974.3	1,161.2
Exchange rate	8.7	9.4	42.8	(7.5)
Long term incentive plan	32.8	35.3	105.1	82.2
Change in contingent liability fair value	-	-	-	-
Others	-	7.1	-	-
Tax income and social contribution	89.7	(39.2)	283.2	174.8
Deferred taxes	(110.2)	(19.8)	(170.7)	(249.9)
Amortization of deferred commission	163.4	175.5	482.1	498.9
(Increase) decrease in asset accounts	(421.5)	(534.1)	(1,608.7)	(1,357.9)
Accounts receivable	(100.5)	(228.0)	(533.4)	(468.4)
Inventory	14.4	(0.6)	(70.9)	(1.3)
Taxes recoverable	24.6	(40.9)	(3.3)	(109.4)
Judicial deposits	(226.9)	(125.4)	(580.9)	(318.6)
Other assets	52.4	7.3	55.9	47.5
Deferred Sales Expense	(185.6)	(146.4)	(476.0)	(507.7)
Increase (decrease) in liability accounts:	(147.8)	164.4	(208.3)	21.3
Technical provisions for health care operations	154.8	53.6	392.2	234.7
Debts of health care operations	(15)	50.9	9.4	77.2
Social obligations	71.9	113.6	287.7	193.2
Suppliers	(46.6)	17.6	(67.3)	(58.6)
Taxes and contributions payable	(14.6)	35.1	(95.6)	(11.3)
Other accounts payable	(176.5)	90.9	(335.0)	21.6
Income tax and social contribution paid	(48.7)	(46.7)	(189.3)	(184.1)
Provision for tax, civil and labor risks	(86.6)	(150.6)	(210.5)	(251.4)
Net cash provided (used) by continued operating activities	723.8	775.7	2,158.6	1,807.7
Net cash flow used in discontinued operating activities	-	11.8	5.6	1.8
Net cash provided (used) by operating activities	723.8	787.5	2,164.3	1,809.5
Cash flow from investing activities	496.0	536.9	(863.7)	(995.9)
Payments to related parties	(0.0)	3.9	0.2	0.0
Acquisition of property, plant and equipment	(91.9)	(52.9)	(179.3)	(198.9)
Acquisition of intangibles	(88.8)	(48.8)	(291.3)	(141.2)
Acquisition/sale of investments	-	-	-	(630.6)
Balances attributed to the acquisition of investees	-	-	-	3.2
Resources received from Sale & Leaseback operations	-	-	-	1,250.0
Financial investments	676.8	602.9	(364.0)	(1,277.8)
Net cash flow used in discontinued investing activities	-	31.9	(29.2)	(0.5)
Cash flow from financing activities	(1,150.7)	(1,249.7)	(2,227.0)	(1,440.6)
Issuance of Debentures	-	-	1,000.0	750.0
Obtaining loans	260.0	-	260.0	260.0
Receipt of derivative financial instruments	27.1	-	(7.1)	(78.3)
Payment / Acquisition of loans and financing	(1,165.0)	(855.6)	(1,915.0)	(2,132.1)
Payment / Acquisition Interest of loans and financing	(10.0)	(206.8)	(798.2)	(867.2)
Transaction costs related to funding	-	5.3	(5.9)	2.6
Payment/ Acquisition of subsidiaries	(50.5)	(41.7)	(358.7)	(49.6)
Payment of dividends and interest on own capital	-	-	-	-
Principal payments - Leases	(121.4)	(122.4)	(363.6)	(334.1)
Resources received from Follow-on	-	-	-	1,059.2
Expenses with issue of shares	-	(2.2)	-	(26.9)
Stock buybacks/ Repurchase of own shares	-	(26.4)	(20.7)	(24.2)
Stock-based compensation plan payment - Stock grant	-	-	(26.5)	-
Net cash flow used in discontinued financing activities	-	-	8.7	-
Change in cash and cash equivalents	69.1	74.8	(926.4)	(627.0)
Cash and cash equivalents at the beginning of the period	419.7	548.0	1,430.1	1,267.9
Cash and cash equivalents at the end of the period	488.8	639.7	488.8	639.7
Change in cash and cash equivalents of discontinued operations	-	17.0	(14.3)	(12)

Some percentages and other amounts included in this document have been rounded for ease of presentation and may therefore differ from quarterly information tables and notes. Additionally, some total values in certain tables may not reflect the arithmetic sum of the preceding values. Values consider IFRS 16.



NotreDame
Intermédica

Relações com Investidores
ri@hapvida.com.br
ri.hapvida.com.br