

This is a public announcement for information purposes only and is not a prospectus and does not constitute an invitation or offer to acquire, purchase or subscribe to securities. Not for release, publication or distribution directly or indirectly, outside India. Initial public offer of Equity Shares (as defined below) to the main board of BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"), together with BSE, the "Stock Exchanges") in compliance with Chapter 1 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations").



(Please scan the QR code to view the RHP)

NIVA BUPA HEALTH INSURANCE COMPANY LIMITED

Our Company was originally incorporated as 'Max Bupa Health Insurance Limited' at New Delhi, India as a public limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated September 5, 2006, issued by the Assistant Registrar of Companies, National Capital Territory of Delhi and Haryana and was granted its certificate for commencement of business on October 23, 2006 by the Deputy Registrar of Companies, National Capital Territory of Delhi and Haryana. Thereafter, the name of our Company was changed to 'Max Bupa Health Insurance Company Limited' pursuant to a fresh certificate of incorporation dated July 20, 2019 issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana at New Delhi (now known as Registrar of Companies, Delhi and Haryana (the "ROC")). The name of our Company was further changed to 'Niva Bupa Health Insurance Company Limited' pursuant to a fresh certificate of incorporation dated July 5, 2021 issued by the ROC. For further details in relation to the changes in the name and registered office of our Company, see "History and Certain Corporate Matters" on page 254 of the red herring prospectus dated October 31, 2024 ("RHP" or "Red Herring Prospectus") filed with the ROC.

Registered Office: C-56, 1st Floor, Lajpat Nagar Part 1, South Delhi, New Delhi - 110 024, Delhi, India; Corporate Office: 3rd Floor, Capital Cybersec, Sector-58, Gurgaon - 122 102, Haryana, India
 Contact Person: Saje Sharma, Company Secretary and Compliance Officer; E-mail: investor@nivaqa.com; Website: www.nivaqa.com; Corporate Identity Number: U68030D2006PLC016918; IRDAI Registration Number: 145

THE PROMOTERS OF OUR COMPANY ARE: BUPA SINGAPORE HOLDINGS PTE. LTD, FETTLER TONE LLP AND BUPA INVESTMENTS OVERSEAS LIMITED

INITIAL PUBLIC OFFER OF UP TO (A) EQUITY SHARES OF FACE VALUE OF ₹10 EACH ("EQUITY SHARES") OF NIVA BUPA HEALTH INSURANCE COMPANY LIMITED (FORMERLY KNOWN AS MAX BUPA HEALTH INSURANCE COMPANY LIMITED) ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹(A) PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹(A)) PER EQUITY SHARE AGGREGATING UP TO ₹22,800.00 MILLION (THE "OFFER"), COMPRISING A FRESH ISSUE OF UP TO (B) EQUITY SHARES OF FACE VALUE ₹10 AGGREGATING UP TO ₹8,000.00 MILLION BY OUR COMPANY ("FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO (C) EQUITY SHARES OF FACE VALUE ₹10 AGGREGATING UP TO ₹4,000.00 MILLION ("OFFER FOR SALE") BY THE SELLING SHAREHOLDERS (AS DEFINED BELOW), COMPRISING AN OFFER FOR SALE OF UP TO (D) EQUITY SHARES OF FACE VALUE ₹10 AGGREGATING UP TO ₹3,500.00 MILLION BY BUPA SINGAPORE HOLDINGS PTE. LTD AND AN OFFER FOR SALE OF UP TO (E) EQUITY SHARES OF FACE VALUE ₹10 AGGREGATING UP TO ₹10,500.00 MILLION BY FETTLER TONE LLP (TOGETHER WITH BUPA SINGAPORE HOLDINGS PTE. LTD, "PROMOTER SELLING SHAREHOLDERS") AND SUCH EQUITY SHARES OFFERED BY THE SELLING SHAREHOLDERS, THE "OFFERED SHARES").

Pursuant to the IRDAI Approval, re-classification of Fettle Tone LLP from promoter of the Company to an investor under the IRDAI Regulations and Transfer Regulations shall be effective from the date on which its shareholding in our Company is below 25% of the paid-up equity share capital pursuant to the Offer. i.e. the date of allotment of Equity Shares in the Offer. Accordingly, pursuant to the IRDAI Approval, Fettle Tone LLP has been classified as a promoter of our Company in the Red Herring Prospectus and the transfer of Equity Shares by Fettle Tone in the Offer ("Allotment Date"). Accordingly, from the Allotment Date, Fettle Tone will not be classified as a promoter of our Company under the IRDAI Regulations and Transfer Regulations as set forth in SEBI (ICDR) Regulations. If Fettle Tone's shareholding does not fall below 25% of our paid-up share capital, our Company shall not proceed with the Offer and Fettle Tone shall not be classified as an investor.

NAME OF THE SELLING SHAREHOLDER	TYPE	NUMBER OF EQUITY SHARES OFFERED/AMOUNT	WACA PER EQUITY SHARE (IN ₹*)
Bupa Singapore Holdings Pte. Ltd.	Promoter Selling Shareholder	Up to (a) Equity Shares of face value of ₹10 each aggregating up to ₹3,500.00 million.	34.88
Fettle Tone LLP	Promoter Selling Shareholder	Up to (b) Equity Shares of face value of ₹10 each aggregating up to ₹10,500.00 million.	15.57

* As certified by Nangia & Co. LLP, Chartered Accountants pursuant to the certificate dated October 31, 2024.

We are a standalone health insurer ("SAHI") strategically focused on the retail health market.

The Offer is being made through the Book Building Process in accordance with Regulation 6(2) of the SEBI ICDR Regulations.

QIB Portion: Not less than 75% of the Net Offer | Non-Institutional Portion: Not more than 15% of the Net Offer | Retail Portion: Not more than 10% of the Net Offer

PRICE BAND: ₹ 70 TO ₹ 74 PER EQUITY SHARE OF FACE VALUE OF ₹ 10 EACH

THE FLOOR PRICE IS 7.00 TIMES THE FACE VALUE OF THE EQUITY SHARES AND THE CAP PRICE IS 7.40 TIMES THE FACE VALUE OF THE EQUITY SHARES

THE PRICE/EARNINGS RATIO BASED ON DILUTED EPS FOR FY 2024 FOR OUR COMPANY AT THE UPPER END OF THE PRICE BAND IS AS HIGH AS 148.00 TIMES AND AT THE LOWER END OF THE PRICE BAND IS 140.00 TIMES AS COMPARED TO THE AVERAGE INDUSTRY PEER GROUP P/E RATIO OF 38.60 TIMES.

BIDS CAN BE MADE FOR A MINIMUM OF 200 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH AND IN MULTIPLES OF 200 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH THEREAFTER

In accordance with the recommendation of committee of Independent Directors of our Company, pursuant to their resolution dated October 31, 2024, the above provided price band is justified based on quantitative factors/KPIs disclosed in the "Basis for Offer Price" section of the RHP vis-à-vis the weighted average cost of acquisition ("WACA") of primary and secondary transactions, as applicable, disclosed in the "Basis for Offer Price" section on page 123 of the RHP and provided below in this advertisement.

In making an investment decision and purchase in the Offer, potential investors must only rely on the information included in the Red Herring Prospectus and the terms of the Offer, including the merits and risks involved and not rely on any other external sources of information about the Offer available in any manner.

In relation price band, potential investors should only refer to this price band advertisement for the Offer and should not rely on any media articles/reports in relation to the valuation of the Company as these are not endorsed, published or confirmed either by the Company or by the BRLM.

One of our Promoter Selling Shareholder, Fettle Tone LLP, has entered into a share purchase agreement dated October 9, 2024 with A91 Emerging Fund II LLP ("SPA") as amended pursuant to the amendment agreement dated October 28, 2024 to SPA, in respect of sale and transfer of Equity Shares held by Fettle Tone LLP in our Company ("Promoter Transfer"). Accordingly on October 29, 2024, Fettle Tone LLP has transferred 17,647,958 Equity Shares constituting 1.03% of the total pre-offer paid up Equity Share Capital of the Company at the rate of ₹ 85 per equity share of face value of ₹ 10 each.

One of our independent directors, Dinesh Kumar Mittal has resigned from his position with effect from October 30, 2024 due to which there is a change in the composition of the board of directors of our Company ("Board of Directors"). Consequently, the Board of Directors now comprises of nine directors, including three independent directors, one of whom is the chairman, one executive director, and five non-executive directors.

RISK TO INVESTORS

(For details refer to section titled "Risk Factors" on page 26 of the RHP)

- Product pricing risk:** Our profitability depends on our ability to manage our underwriting risks and appropriately price our products and any failure to accurately estimate medical expenses or the frequency of claims could have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects.
- Dependence on health insurance sector:** As a significant portion of our business is generated from the health insurance line of business, any adverse changes to the demand for health insurance products and the retail health insurance sector may affect the sale of our health insurance products and in turn our business and profitability. The following table sets forth our Gross Written Premium and break-up of Gross Direct Premium for the periods and years indicated.

Gross Written Premium or GWP⁽¹⁾ - Break-up of Gross Direct Premium

	Three Months ended June 30,				Fiscal Year ended March 31,					
	2024		2023		2024		2023		2022	
	(₹ in millions)	(% of total GWP)	(₹ in millions)	(% of total GWP)	(₹ in millions)	(% of total GWP)	(₹ in millions)	(% of total GWP)	(₹ in millions)	(% of total GWP)
Gross Direct Premium										
Health (A)	14,303.84	97.89%	10,975.62	98.08%	54,944.28	97.98%	39,873.59	97.90%	27,490.35	97.83%
Personal Accident (B)	271.80	1.86%	179.02	1.60%	926.76	1.65%	800.41	1.97%	607.57	2.16%
Travel (C)	66.12	0.45%	35.79	0.32%	204.70	0.37%	56.31	0.14%	1.79	0.01%
Total Gross Written Premium or GWP (D=A+B+C)	14,641.76	100.00%	11,190.43	100.00%	56,075.74	100.00%	40,730.31	100.00%	28,099.71	100.00%

Note:

⁽¹⁾ For more information on GWP, see "Other Financial Information - Gross Written Premium or GWP" on page 374 of the RHP.

- We will not receive any proceeds from the Offer for Sale. Our Selling Shareholders will receive the entire proceeds from the Offer for Sale which constitutes ~64% of the issue size.
- Regulatory risk:** We are subject to extensive supervision and regulatory inspections (onsite and offsite, thematic or otherwise) by IRDAI and any regulatory and statutory actions against us or our distributors could cause us reputational harm and have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects. For instance, IRDAI conducted an on-site inspection in our office from November 22, 2021 to December 3, 2021 for operations during Fiscals 2019, 2020 and 2021, and made 33 observations in its final report dated January 7, 2022. As of the date of this announcement, we have responded to all requests from IRDAI and have not received any fines, penalties, revocation of licenses or other regulatory actions as a result of such inspection by IRDAI.
- Dependence on senior management:** The success of our business depends on our ability to attract and retain, as well as obtaining timely approvals from IRDAI with respect to, our senior management and employees in critical roles, and the loss of their services could have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects.
- Network Hospitals:** If we fail to develop and maintain satisfactory relationships with Network Hospitals, we may not be able to continue to offer cashless claims to our customers and our ability to effectively manage our claims costs may be adversely affected. The amount of cashless claims through Network Hospitals as a percentage of the total amount of claims (in value terms) was 75.45%, 68.81%, 70.01%, 66.54% and 62.53% for the three months ended June 30, 2024, 2023 and Fiscal 2024, 2023 and 2022, respectively.
- Credit and liquidity risks:** We are exposed to credit/counterparty risks in relation to our investment portfolio and from our reinsurers and may incur losses as a result of counterparty default or failure to enforce our rights in all circumstances. Accordingly, credit and liquidity risks related to our investments and day-to-day operations may expose us to significant losses.
- Competition:** We operate in a highly competitive, evolving and rapidly changing industry. In Fiscal 2024, we were the fourth largest player within the retail health insurance with a market share of 9.10% according to the Redseer Report, and we face competition from other players offering health insurance products, including those who have a higher market share than us. If we cannot effectively respond to increasing competition, our results of operation and market share could be materially and adversely affected. Additionally, our financial performance may not be comparable with some of our competitors due to differences in accounting policies which are permissible under applicable laws and regulations.
- EOM Regulations:** We are required to maintain our expenses at certain levels in order to maintain our profitability and to comply with IRDAI regulations. We filed applications with IRDAI for forbearance for exceeding the expenses of management over the allowable limit for Fiscal 2023 vide application dated March 29, 2023 and Fiscal 2024 vide application dated February 23, 2024. In accordance with the EOM Regulations, a sum of Contribution from Shareholders Funds towards Excess Expenses of Management of ₹ 837.85 million, ₹ 688.33 million, ₹ 2,164.51 million, ₹ 3,641.61 million and ₹ 2,717.17 million which is in the excess of expenses of management over the allowable limit, has been transferred from the Restated Statement of Revenue Account to Restated Statement of Profit and Loss for the three months ended June 30, 2024 and June 30, 2023, and Fiscals 2024, 2023 and 2022, respectively.
- Dependence on intermediated distribution channels:** We are dependent on our intermediated distribution channels, particularly individual agents, corporate agents and brokers, which accounted for 29.71%, 28.00% and 28.19% of our GWP for the three months ended June 30, 2024 respectively and if we are unable to develop and grow our network of distributors or attract, retain and incentivize our distributors, it could have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects.
- We have incurred losses in Fiscal 2022 and the three months ended June 30, 2024 and June 30, 2023 and may not be able to maintain our profitability in the future, which could adversely affect our operations and financial condition and the trading price of our Equity Shares. The following table sets forth details of our profit/(loss) after tax and Expense Ratio for the periods and years indicated:

Particulars	Profit/(loss) after Tax and Expense Ratio				
	Three Months ended June 30,		Fiscal Year ended March 31,		
	2024	2023	2024	2023	2022
Profit/(loss) after tax (₹ in millions)	(188.21)	(721.98)	818.52	125.40	(1,965.25)
Expense Ratio ⁽¹⁾ (%)	42.05%	42.75%	39.77%	43.20%	45.40%

Note:

⁽¹⁾ Expense Ratio is calculated as the sum of operating expenses related to insurance business and commission divided by Net Written Premium. Expense Ratio is a non-GAAP measure. For details on reconciliation, see "Other Financial Information" on page 374 of the RHP.

- Our failure to accurately and timely pay claims could lead to customer dissatisfaction and result in regulatory actions or penalties, which could materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.
- Our Directors and Promoters may enter into ventures which are in businesses similar to ours.
- Weighted average Return on Net Worth for the Financial Years 2024, 2023, 2022 is (2.58%)
- The weighted average cost of acquisition for all Equity Shares transacted in one year, 18 months and three years preceding the date of the Red Herring Prospectus:

Period	Weighted average cost of acquisition (in ₹*)	Cap Price is "X" times the weighted average cost of acquisition ⁽¹⁾	Range of acquisition price: Lowest price - Highest price (in ₹*)
Last one year	70.48	1.05	10.00 - 113.00
Last 18 months	68.01	1.09	10.00 - 113.00
Last three years	62.36	1.19	10.00 - 113.00

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Note: In relation to ESOP, exercise price has been considered as cost of acquisition.

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