



SISTEMUL MEDICAL  
**MedLife**

**MED LIFE GROUP**

**FINANCIAL REPORT FY 2023**

WHICH INCLUDES SIMPLIFIED CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED DECEMBER 31, 2023

PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS AS ADOPTED BY  
EUROPEAN UNION

**Name of the issuing company:** MED LIFE S.A.

**Registered Office:** Bucharest, 365 Calea Griviței, district 1, Romania

**Fax no.:** 0040 374 180 470

**Unique Registration Code at the National Office of Trade Registry:** 8422035

**Order number on the Trade Registry:** J40/3709/1996

**Subscribed and paid-in share capital:** RON 132,870,492

**Regulated market on which the issued securities are traded:** Bucharest Stock Exchange, Premium Category

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	<b>December 31,</b>	<b>December 31,</b>
	<b>2023</b>	<b>2022</b>
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Goodwill	441,243,111	368,672,606
Intangible assets	118,638,179	100,192,265
Property, plant and equipment	1,101,723,196	828,501,060
Right-of-use asset	402,038,890	306,413,389
Other financial assets	49,446,093	82,810,704
<b>Total Non-Current Assets</b>	<b><u>2,113,089,470</u></b>	<b><u>1,686,590,024</u></b>
<b>Current Assets</b>		
Inventories	109,532,856	98,770,370
Trade Receivables	258,511,779	221,358,860
Other assets	26,459,247	44,362,334
Cash and cash equivalents	100,300,295	89,068,154
Prepayments	12,848,125	11,826,587
<b>Total Current Assets</b>	<b><u>507,652,302</u></b>	<b><u>465,386,305</u></b>
<b>TOTAL ASSETS</b>	<b><u>2,620,741,772</u></b>	<b><u>2,151,976,329</u></b>
<b>LIABILITIES &amp; SHAREHOLDER'S EQUITY</b>		
<b>Non-Current Liabilities</b>		
Lease liability	303,106,805	225,175,340
Other long term debt	28,458,890	21,657,277
Interest-bearing loans and borrowings	1,042,395,050	803,273,659
Deferred tax liability	47,474,025	44,250,160
<b>Total Non-Current Liabilities</b>	<b><u>1,421,434,770</u></b>	<b><u>1,094,356,436</u></b>
<b>Current Liabilities</b>		
Trade and other payables	404,487,083	335,356,742
Overdraft	29,835,472	27,801,016
Current portion of lease liability	98,906,364	77,141,698
Current portion of interest-bearing loans and borrowings	82,417,660	55,695,054
Current tax liabilities	458,334	814,508
Provisions	11,099,069	9,783,326
Other liabilities	74,519,044	68,989,304
<b>Total Current Liabilities</b>	<b><u>701,723,026</u></b>	<b><u>575,581,648</u></b>
<b>TOTAL LIABILITIES</b>	<b><u>2,123,157,796</u></b>	<b><u>1,669,938,084</u></b>
<b>SHAREHOLDER'S EQUITY</b>		
Share capital and Share premium	132,562,337	83,812,556
Treasury shares	(681,892)	(3,219,219)
Reserves	209,787,538	204,591,242
Retained earnings	76,896,302	131,596,255
<b>Equity attributable to owners of the Group</b>	<b><u>418,564,285</u></b>	<b><u>416,780,834</u></b>
Non-controlling interests	79,019,691	65,257,411
<b>TOTAL EQUITY</b>	<b><u>497,583,976</u></b>	<b><u>482,038,245</u></b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b><u>2,620,741,772</u></b>	<b><u>2,151,976,328</u></b>

**Mihail Marcu,**  
 CEO

**Alina Trinoiu,**  
 CFO

**12 months ended December 31,**

	<b>2023</b>	<b>2022</b>
Revenue from contracts with customers	2,211,576,981	1,795,432,748
Other operating revenues	13,897,955	14,118,061
<b>Operating Income</b>	<b>2,225,474,936</b>	<b>1,809,550,809</b>
Consumable materials and repair materials	(390,007,066)	(311,233,127)
Third party expenses	(625,682,515)	(468,196,458)
Salary and related expenses	(543,050,947)	(442,897,905)
Social contributions	(19,473,327)	(15,852,088)
Depreciation and amortization	(193,189,594)	(152,410,751)
Impairment losses and gains (including reversals of impairment losses)	(2,275,688)	(4,851,599)
Commodities expenses	(208,162,319)	(209,975,320)
Other operating expenses	(149,720,460)	(109,903,888)
<b>Operating expenses</b>	<b>(2,131,561,916)</b>	<b>(1,715,321,136)</b>
<b>Operating Profit</b>	<b>93,913,020</b>	<b>94,229,673</b>
Finance cost	(81,354,044)	(42,489,150)
Other financial expenses	(5,263,175)	(2,183,221)
<b>Financial result</b>	<b>(86,617,219)</b>	<b>(44,672,371)</b>
<b>Result Before Taxes</b>	<b>7,295,801</b>	<b>49,557,301</b>
Income tax expense	(12,972,705)	(12,124,746)
<b>Net Result</b>	<b>(5,676,904)</b>	<b>37,432,555</b>
Owners of the Group	2,771,521	32,173,072
Non-controlling interests	(8,448,426)	5,259,483
<b>Other comprehensive income items that will not be reclassified to profit or loss</b>		
Revaluation of land and buildings	-	66,292,412
Deferred tax on other comprehensive income components	-	(10,606,786)
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>	<b>-</b>	<b>55,685,626</b>
<b>Total other comprehensive income attributable</b>		
Owners of the Group	-	54,012,309
Non-controlling interests	-	1,673,317
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>(5,676,904)</b>	<b>93,118,181</b>
<b>Total comprehensive income attributable to:</b>		
Owners of the Group	2,771,521	86,185,381
Non-controlling interests	(8,448,426)	6,932,799

**Mihail Marcu,**

CEO

**Alina Irinoiu,**

CFO

	<b>12 months ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
<b>Net profit before taxes</b>	<b>7,295,801</b>	<b>49,557,301</b>
<b>Adjustments for</b>		
Depreciation and amortization	193,189,594	152,410,751
Provisions for liabilities and charges	820,863	625,545
Interest revenue	(3,423,077)	(1,261,843)
Interest expense	81,354,044	42,489,150
Allowance for doubtful debts and receivables written-off	2,275,688	4,851,599
Other non-monetary gains	-	(6,671,334)
Unrealized exchange loss	8,856,039	3,501,567
<b>Operating cash flow before working capital changes</b>	<b>290,371,802</b>	<b>245,502,736</b>
Decrease / (increase) in accounts receivable	(24,206,739)	(36,113,767)
Decrease / (increase) in inventories	(5,837,683)	(12,198,174)
Decrease / (increase) in prepayments	(293,413)	156,186
Increase / (decrease) in accounts payable	(9,808,970)	31,216,630
<b>Cash generated from working capital changes</b>	<b>(40,146,805)</b>	<b>(16,939,126)</b>
<b>Cash generated from operations</b>	<b>250,224,997</b>	<b>228,563,610</b>
Income Tax Paid	(13,465,981)	(12,832,118)
Interest Paid	(71,987,061)	(32,377,399)
Interest received	3,423,077	1,261,843
<b>Net cash from operating activities</b>	<b>168,195,032</b>	<b>184,615,936</b>
Acquisition of subsidiary net of cash acquired and advances for acquisition of subsidiaries	(69,846,936)	(316,554,749)
Purchase of intangible assets	(16,554,650)	(20,243,591)
Purchase of property, plant and equipment	(194,587,234)	(149,107,846)
<b>Net cash used in investing activities</b>	<b>(280,988,820)</b>	<b>(485,906,186)</b>
Proceeds from loans	287,003,880	411,844,392
Payment of loans	(77,510,837)	(73,446,528)
Payment of principal portion of lease liabilities	(83,580,926)	(69,381,987)
Dividends paid to NCI	(1,397,470)	(136,861)
Payments for purchase of treasury shares	(488,718)	(7,851,825)
Additional participation interest acquired	-	(6,527,676)
<b>Net cash from/(used in) financing activities</b>	<b>124,025,930</b>	<b>254,499,516</b>
<b>Net change in cash and cash equivalents</b>	<b>11,232,141</b>	<b>(46,790,734)</b>
Cash and cash equivalents beginning of the period	89,068,154	135,858,888
<b>Cash and cash equivalents end of the period</b>	<b>100,300,295</b>	<b>89,068,154</b>

**Mihail Marcu,**  
 CEO

**Alina Irinoiu,**  
 CFO

	Share Capital	Treasury shares	Share premium	Legal reserves and other reserves	Revaluation Reserve	Accumulated Results	Attributable to owners of the Group	Non-controlling interests	Total Equity
<b>Balance as at December 31, 2022</b>	<b>33,217,623</b>	<b>(3,219,219)</b>	<b>50,594,933</b>	<b>55,094,194</b>	<b>149,497,049</b>	<b>131,596,255</b>	<b>416,780,835</b>	<b>65,257,412</b>	<b>482,038,247</b>
Profit of the year	-	-	-	-	-	2,771,521	2,771,521	(8,448,426)	(5,676,905)
Revaluation of Land and Buildings	-	-	-	-	-	-	-	-	-
Deferred tax related to other elements of the overall result	-	-	-	-	-	-	-	-	-
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,771,521</b>	<b>2,771,521</b>	<b>(8,448,426)</b>	<b>(5,676,905)</b>
Recognition of other reserves for fiscal purposes (legal reserves)	-	-	-	18,218	-	(18,218)	-	-	-
Recognition of other reserves	-	-	-	5,178,077	-	(5,178,077)	-	-	-
Increase in share capital through incorporation of reserves	99,652,869	-	(50,594,933)	-	-	(49,057,936)	-	-	-
Additional non-controlling interest arising as of result of business combinations	-	-	-	-	-	-	29,414,107	29,414,107	
Subsequent acquisition of NCI	-	-	-	-	-	(3,217,243)	(3,217,243)	(5,805,932)	(9,023,174)
Distribution of dividends	-	-	-	-	-	-	-	(1,397,470)	(1,397,470)
Increase from own shares acquisition	-	(488,718)	-	-	-	-	(488,718)	-	(488,718)
Net release of own shares used for acquiring additional NCI	-	3,026,045	-	-	-	-	3,026,045	-	3,026,045
Increase in premiums due to difference between fair value and cost of own shares when the exchange was made	-	-	(308,155)	-	-	-	(308,155)	-	(308,155)
<b>Balance as at December 31, 2023</b>	<b>132,870,492</b>	<b>(681,892)</b>	<b>(308,155)</b>	<b>60,290,489</b>	<b>149,497,049</b>	<b>76,896,302</b>	<b>418,564,285</b>	<b>79,019,691</b>	<b>497,583,976</b>

Mihail Marcu,

CEO

Alina Irinoiu,

CFO

**MED LIFE GROUP**

 CONSOLIDATED UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED DECEMBER 31, 2023  
*(all amounts are expressed in RON, unless otherwise specified)*

 SISTEMUL MEDICAL  


	Share Capital	Treasury shares	Share premium	Legal reserves and other reserves	Revaluation Reserve	Accumulated Results	Attributable to owners of the Group	Non-controlling interests	Total Equity
<b>Balance as at December 31, 2021</b>	<b>33,217,623</b>	<b>(4,015,977)</b>	<b>49,177,468</b>	<b>41,850,760</b>	<b>95,484,740</b>	<b>122,394,796</b>	<b>338,109,410</b>	<b>43,295,149</b>	<b>381,404,558</b>
Profit of the year	-	-	-	-	-	32,173,072	32,173,072	5,259,484	37,432,556
Revaluation of Land and Buildings	-	-	-	-	64,300,368	-	64,300,368	1,992,043	66,292,411
Deferred tax related to other elements of the overall result	-	-	-	-	(10,288,059)	-	(10,288,059)	(318,727)	(10,606,786)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>54,012,309</b>	<b>32,173,072</b>	<b>86,185,382</b>	<b>6,932,800</b>	<b>93,118,182</b>
Recognition of other reserves for fiscal purposes (legal reserves)	-	-	-	885,378	-	(885,378)	-	-	-
Recognition of other reserves	-	-	-	12,358,056	-	(12,358,056)	-	-	-
Additional non-controlling interest arising as of result of business combinations	-	-	-	-	-	-	-	21,895,097	21,895,097
Subsequent acquisition of NCI	-	-	-	-	-	(9,728,180)	(9,728,180)	(6,865,634)	(16,593,814)
Distribution of dividends	-	-	-	-	-	-	-	-	-
Increase from own shares acquisition	-	(7,851,825)	-	-	-	-	(7,851,825)	-	(7,851,825)
Net release of own shares used for acquiring additional NCI	-	8,648,583	-	-	-	-	8,648,583	-	8,648,583
Increase in premiums due to difference between fair value and cost of own shares when the exchange was made	-	-	1,417,465	-	-	-	1,417,465	-	1,417,465
<b>Balance as at December 31, 2022</b>	<b>33,217,623</b>	<b>(3,219,219)</b>	<b>50,594,933</b>	<b>55,094,194</b>	<b>149,497,049</b>	<b>131,596,255</b>	<b>416,780,835</b>	<b>65,257,412</b>	<b>482,038,247</b>

 Mihail Marcu,  
 CEO

 Alina Irinoiu,  
 CFO

## 1. DESCRIPTION OF THE BUSINESS

Med Life S.A. ("MedLife" or the "Parent Company" or the "Company") is a joint-stock company incorporated in 1996, in accordance with the laws and regulations of Romania, with headquarters in 365 Calea Grivitei, Bucharest, with a share capital of RON 132,870,492, having a nominal share value of 0.25 RON.

The Company's activity resides in conducting healthcare services through medical centres with national coverage.

MedLife, together with its subsidiaries ("MedLife Group" or the "Group"), is offering a large range of medical services, through a network of 35 hyperclinics, 68 clinics, 15 hospitals – located in Bucharest, Arad, Sibiu, Brasov, Cluj, Ploiesti and Pitesti, 39 laboratories, 21 pharmacies and 18 dental clinics. The Group has also over 170 private clinic partners around Romania.

The entities part of MedLife Group as at December 31, 2023 and December 31, 2022 are as follows (ownership percentage):

No.	Entity	Main activity	Location	31 December 2023	31 December 2022
1	Policlinica de Diagnostic Rapid SA	Medical Services	Brasov, Romania	83%	83%
2	Medapt SRL (indirect)*	Medical Services	Brasov, Romania	83%	83%
3	Histo SRL (indirect)*	Medical Services	Brasov, Romania	49.8%	49.8%
4	Policlinica de Diagnostic Rapid Medis SRL (indirect)*	Medical Services	Sfantu Gheorghe, Romania	66.4%	66.4%
5	Bahtco Invest SRL**	Development of building projects	Bucharest, Romania	100%	100%
6	Med Life Occupational SRL	Medical Services	Bucharest, Romania	100%	100%
7	Pharmalife-Med SRL	Distribution of Pharmaceutical Products in specialised stores	Bucharest, Romania	100%	100%
8	Med Life Broker de Asigurare si Reasigurare SRL	Insurance broker	Bucharest, Romania	99%	99%
9	Accipiens SA	Rental activities	Arad, Romania	83%	83%
10	Genesys Medical Clinic SRL (indirect)*	Medical Services	Arad, Romania	83%	83%
11	Bactro SRL (indirect)*	Medical Services	Deva, Romania	83%	83%
12	Transilvania Imagistica SA (indirect)*	Medical Services	Oradea, Romania	83%	83%
13	Biofarm Farmec SRL (indirect)*	Distribution of Pharmaceutical Products in specialised stores	Arad, Romania	100%	100%
14	RUR Medical SRL (indirect)*	Medical Services	Brasov, Romania	83%	83%
15	Biotest Med SRL	Medical Services	Bucharest, Romania	100%	100%
16	Vital Test SRL	Medical Services	Iasi, Romania	100%	100%
17	Centrul Medical Sama SA	Medical Services	Craiova, Romania	90%	90%
18	Ultratest SA (direct si indirect)*	Medical Services	Craiova, Romania	92%	92%
19	Diamed Center SRL	Medical Services	Bucharest, Romania	100%	100%
20	Prima Medical SRL	Medical Services	Craiova, Romania	100%	100%
21	Stem Cells Bank SA	Medical Services	Timisoara, Romania	100%	100%
22	Dent Estet Clinic SA	Dental healthcare	Bucharest, Romania	65%	60%
23	Green Dental Clinic SRL (indirect)*	Dental healthcare	Bucharest, Romania	33.2%	31%
24	Dentist 4 Kids SRL (indirect)*	Dental healthcare	Bucharest, Romania	65%	60%
25	Dent A Porter SRL (indirect)*	Dental healthcare	Bucharest, Romania	33.5%	31%
26	Denteset Kids SRL (indirect)*	Dental healthcare	Bucharest, Romania	34.4%	32%
27	Aspen Laborator Dentar SRL (indirect)*	Dental healthcare	Bucharest, Romania	48.8%	45%
28	Centrul Medical Panduri SA	Medical Services	Bucharest, Romania	100%	100%
29	Almina Trading SA	Medical Services	Targoviste, Romania	90%	90%
30	Anima Specialty Medical Services SRL	Medical Services	Bucharest, Romania	100%	100%
31	Anima Promovare si Vanzari SRL (indirect)*	Medical Services	Bucharest, Romania	100%	100%
32	Valdi Medica SA	Medical Services	Cluj, Romania	55%	55%
33	Clinica Polisano SRL	Medical Services	Sibiu, Romania	100%	100%
34	Solomed Clinic SA	Medical Services	Pitesti, Romania	80%	80%
35	Solomed Plus SRL (indirect)*	Medical Services	Pitesti, Romania	80%	80%

No.	Entity	Main activity	Location	31 December 2023	31 December 2022
36	Ghencea Medical Center SA	Medical Services	Bucharest, Romania	100%	100%
37	Sfatul medicului SRL	Medical Platform	Bucharest, Romania	100%	100%
38	RMC Dentart (indirect)*	Dental healthcare	Budapest, Ungaria	79.9%	81.3%
39	RMC Medical (indirect)*	Medical Services	Budapest, Ungaria	79.9%	81.3%
40	RMC Medlife	Holding	Budapest, Ungaria	79.9%	81.3%
41	Badea Medical SRL	Medical Services	Cluj, Romania	65%	65%
42	Oncoteam Diagnostic SRL**	Medical Services	Bucharest, Romania	100%	79%
43	Centrul medical Micromedica SRL	Medical Services	Piatra Neamt, Romania	100%	100%
44	Micromedica Targu Neamt SRL (indirect)*	Medical Services	Targu Neamt, Romania	100%	100%
45	Micromedica Bacau SRL (indirect)*	Medical Services	Bacau, Romania	100%	100%
46	Micromedica Roman SRL (indirect)*	Medical Services	Roman, Romania	100%	100%
47	Medrix Center SRL (indirect)*	Medical Services	Roznov, Romania	100%	100%
48	Spitalul Lotus SRL	Medical Services	Ploiesti, Romania	100%	100%
49	Labor Maricor SRL (indirect)*	Medical Services	Bacau, Romania	100%	100%
50	Centrul Medical Matei Basarab SRL (indirect)*	Medical Services	Bucharest, Romania	100%	100%
51	Pharmachem Distributie SRL	Distribution of Pharmaceutical Products	Bucharest, Romania	75%	75%
52	CED Pharma SRL (indirect)*	Distribution of Pharmaceutical Products in specialised stores	Bucharest, Romania	100%	100%
53	Leti Pharm 2000 SRL (indirect)*	Distribution of Pharmaceutical Products in specialised stores	Bucharest, Romania	100%	100%
54	Monix Pharm SRL (indirect)*	Distribution of Pharmaceutical Products in specialised stores	Bucharest, Romania	100%	100%
55	KronDent SRL (indirect)*	Dental healthcare	Brasov, Romania	39%	36%
56	Medica SA	Medical Services	Sibiu, Romania	60%	60%
57	Dent Estet Ploiesti SRL (indirect)*	Dental healthcare	Ploiesti, Romania	33.2%	30.6%
58	The Lab Stomestet SRL (indirect)*	Dental healthcare	Cluj, Romania	39%	36%
59	Stomestet SRL (indirect)*	Dental healthcare	Cluj, Romania	39%	36%
60	Stomestet Plus SRL (indirect)*	Dental healthcare	Cluj, Romania	39%	36%
61	Costea Digital Dental SRL (indirect)*	Dental healthcare	Oradea, Romania	38%	36%
62	Expert Med Centrul Medical Irina (indirect)*	Medical Services	Galati, Romania	76%	76%
63	MNT Healthcare Europe SRL	Medical Services	Ilfov, Romania	50%	50%
64	MNT Asset Management SRL (indirect)*	Holding	Bucharest, Romania	50%	50%
65	Clinica Life-Med SRL (indirect)*	Medical Services	Bucharest, Romania	100%	100%
66	Pro Life Clinics SRL (indirect)*	Medical Services	Iasi, Romania	60%	60%
67	Onco Card SRL (indirect)*	Medical Services	Brasov, Romania	83%	83%
68	Onco Card Invest SRL (indirect)*	Holding	Brasov, Romania	83%	83%
69	Tomorad Expert SRL (indirect)*	Medical Services	Sfantu Gheorghe, Romania	66.4%	66.4%
70	IT Repair SRL (indirect)*	Medical Services	Targu Mures, Romania	49.8%	49.8%

No.	Entity	Main activity	Location	31 December 2023	31 December 2022
71	Medici's SRL	Medical Services	Timisoara, Romania	80%	80%
72	Micro-Medic SRL	Medical Services	Timisoara, Romania	80%	80%
73	Sweat Concept One SRL	Wellness	Bucharest, Romania	60%	60%
74	OptiCristal Consult SRL (indirect)*	Medical Services	Brasov, Romania	49.8%	49.8%
75	Alinora Optimex SRL (indirect)*	Medical Services	Brasov, Romania	49.8%	49.8%
76	Medicris SRL (indirect)*	Medical Services	Oradea, Romania	83%	83%
77	Triamed SRL (indirect)*	Medical Services	Oradea, Romania	83%	83%
78	SC M-Profilaxis SRL (indirect)*	Medical Services	Timisoara, Romania	80%	80%
79	VitaCare Flav SRL (indirect)*	Medical Services	Pitesti, Romania	51%	80%
80	Dent Estet Genesys SRL (indirect)*	Medical Services	Arad, Romania	82.2%	71.3%
81	Aspire Dental SRL (indirect)*	Dental healthcare	Bucharest, Romania	65%	60%
82	Sanopass SA	Medical Platform	Targoviste, Romania	62.5%	51%
83	Muntenia Medical Competences S.A. *	Medical Services	Pitesti, Romania	51.0%	0%
84	Bios Diagnostic Medical Services SRL *	Medical Services	Bucharest, Romania	51%	0%
85	Centrul de Diagnostic si Tratament Provita S.A.	Medical Services	Bucharest, Romania	51%	0%
86	Medical City Blue SRL *	Medical Services	Bucharest, Romania	51%	0%
87	Laborator Cuza Voda SRL *	Medical Services	Bucharest, Romania	51%	0%
88	Provita Pain Clinic SA *	Medical Services	Suceava, Romania	35.7%	0%
89	Policlinica Sf. Ilie SRL *	Medical Services	Craiova, Romania	100%	0%
90	Policlinica Union SRL*	Medical Services	Cluj, Romania	51%	0%
91	Brol Medical Center S.A.*	Medical Services	Timisoara, Romania	56%	0%

\*These companies are subsidiaries of other subsidiaries in the Group and are included in the consolidation, as they are controlled by the entities which are subsidiaries of the ultimate parent.

\*\* Starting January 2024, these companies have changed their legal form S.A. to S.R.L..

\*\*\*Starting January 2024, Ghencea Medical Center SA, Clinica Life-Med SRL, Laborator Maricor SRL, Polyclinica SF. Ilie SRL, Diamed Center SRL and Centrul Medical Matei Basarab SRL were absorbed by Anima Specialty Medical Services SRL; Accipiens SA, Transilvania Imagistica SA, Bactro SRL and Triamed SRL were absorbed by Genesys Medical Clinic SRL; Biofarm Farmec SRL, CED Pharma SRL, Leti Pharm 2000 SRL and Monix Pharm SRL were absorbed by Pharmalife-Med SRL.

## 2. ACCOUNTING PRINCIPLES, POLICIES AND METHODS

The accounting policies applied in these simplified unaudited consolidated financial statements are the same as those applied in the Group's consolidated financial statements as of and for the financial year ended on December 31, 2022.

This financial report must be read together with the last consolidated annual financial statements of the Group as of and for the financial year ended on December 31, 2022, which includes all the necessary information for a complete set of financial statements prepared in accordance with International Financial Reporting Standards (IFRS) adopted by the European Union. However, certain explanatory notes are included to explain events and transactions that are significant for understanding the changes in the Group's financial position and performance compared to the last annual financial statements.

## 3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

### 3.1 Declaration of Conformity

These consolidated financial statements ("financial statements") have been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union (EU).

The accounting policies applied in these financial statements are the same as those applied in the Group's annual consolidated financial statements as at and for the year ended 31 December 2022, except for the adoption of new standards effective as of January 1<sup>st</sup>, 2023.

The financial year corresponds to the calendar year.

### 3.2 Basis of preparation

The financial statements of the Group are presented in RON ("Romanian Leu"), using the principle of continuity. All values are rounded to the nearest two decimals. The financial statements have been prepared on the historical cost basis, except for certain items that have been measured at fair value, such as certain non-current assets and financial instruments, as presented in the notes to the financial statements.

The Group keeps the accounting records in accordance with the Regulations on Accounting and Reporting issued by the Ministry of Finance in Romania.

### **3.3 The principle of continuity**

These financial statements have been prepared using the principle of continuity, which assumes the Group will be able to realize its assets and discharge its liabilities in the normal course of business. The Group will continue its activity according to the normal course of business in the foreseeable future without encountering the impossibility of continuing its activity or without the significant decrease of its activity.

Based on the Group's current financial position and the modelled scenarios, the directors have concluded that the Group has sufficient liquidity to meet all its obligations for at least the twelve months from the date of this report and the directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

### **3.4 Significant judgements, estimates and assumptions**

The preparation of the financial statements in accordance with IFRS requires the Group's management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities as of the date of the balance sheet and revenue and expenses for the period.

When preparing these unaudited consolidated financial statements, the Group's judgements, estimates and significant assumptions are the same as those applied in the audited consolidated financial statements as of and for the financial year ended December 31, 2022.

### **3.5 Foreign currency and translation**

#### **Functional and presentation currency**

These financial consolidated statements are presented in Romanian Leu ("RON"), which is the currency of the primary economic environment in which almost all of the Group's companies operate (their "functional currency").

The exchange rates as announced by the National Bank of Romania on 31 December 2023 were RON 4.9746 for EUR 1 (31 December 2022: RON 4.9474 for EUR 1), respectively RON 1.2995 for HUF 100 (31 December 2022: RON 1.2354 for 100 HUF).

The average exchange rates for the period of 12 months 2023 were RON 4.9465 for EUR 1 (12 months 2022: RON 4.9315 for EUR 1), respectively RON 1.2960 for HUF 100 (12 months 2022: RON 1.2648 for HUF 100).

#### **Conversion of foreign currencies**

Foreign currencies are converted to the respective functional currency of the Group at the exchange rate valid at the time of the transaction. Foreign currency monetary assets and liabilities are reconverted into the functional currency at the rates of exchange valid at the reporting date. The foreign exchange differences arising from these conversions are recognised as other financial income/expense in the income statement.

#### **Conversion of foreign operations**

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are converted at the exchange rates prevailing at the reporting date. Income and expense items are converted at the average exchange rates for the period. Foreign exchange differences arising from the conversion are recognised in equity through the statement of comprehensive income.

### **4. GOODWILL**

The Group records goodwill resulting from business combinations.

For the purpose of impairment testing, goodwill is allocated to the cash generating unit (CGU) which is expected to benefit from the synergies of the business combination. Management conducts impairment tests on an annual basis or whenever there is an indication of impairment to assess the recoverability of the carrying value of goodwill, at each individual level.

### **5. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLES ASSETS**

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Gross book value	1,829,884,231	1,461,161,755
Accumulated depreciation	(609,522,856)	(532,468,429)
<b>Net book value</b>	<b>1,220,361,375</b>	<b>928,693,326</b>

### **6. INVENTORIES**

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Consumables	60,386,702	50,500,617
Materials in the form of inventory items	1,109,755	1,153,623
Merchandise	48,035,780	47,115,210
Inventory in transit	619	920
<b>TOTAL</b>	<b>109,532,856</b>	<b>98,770,370</b>

## 7. TRADE RECEIVABLES

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Trade receivables	298,210,516	258,302,033
Allowance for expected credit losses on receivables	(39,698,737)	(36,943,173)
<b>TOTAL</b>	<b>258,511,779</b>	<b>221,358,860</b>

Credit risk for MedLife Group primarily relates to trade receivables in the ordinary course of business. Customers' compliance with agreed credit terms is monitored regularly and closely. Where payments are delayed by customers, steps are taken to restrict access to services or contracts are terminated.

Certain customers, which are public or quasi-public institutions, or subsidiaries of MedLife, may have longer payment terms and services may continue to be delivered when amounts are overdue, based on management's assessment of a lower credit risk.

The average receivable period for the services offered is 95 days. There is no interest on commercial receivables within the first 95 days from the date of issue of the invoice, which also represents the average contractual term.

The carrying amount of financial assets, measured at amortised cost, represents the maximum credit exposure. There are no credit enhancements or collateral held that would offset such amounts. As the customer base of the Group is very diverse, there are generally no large concentrations of credit risk.

## 8. CASH AND BANKS

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Cash in bank	96,450,196	85,385,761
Cash in hand	2,033,282	2,554,466
Cash equivalents	1,816,817	1,127,928
<b>TOTAL</b>	<b>100,300,295</b>	<b>89,068,154</b>

## 9. PREPAYMENTS

As of December 31, 2023 the Group has prepayments in amount of RON 12,848,125 (RON 11,826,587 as of December 31, 2022). The prepayments balance as of December 31, 2023 and December 31, 2022 consists mainly of deferred commissions for financing related to the Club loan for undrawn facilities and other amounts such as insurance policies for professionals and tangible assets.

## 10. TRADE AND OTHER PAYABLES

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Suppliers	309,065,603	281,384,001
Fixed assets suppliers	90,628,865	48,347,315
Advances paid by customers (contract liabilities)	4,792,616	5,625,426
<b>TOTAL</b>	<b>404,487,083</b>	<b>335,356,742</b>

The balance of the suppliers' account consists of debts for the acquisition of consumables, materials and commodities. Fixed assets suppliers consist of debts for the acquisition of medical equipment.

## 11. OTHER LIABILITIES

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Salary and related liabilities (incl. contributions)	28,474,997	24,169,661
Other liabilities	46,044,047	44,819,643
<b>TOTAL</b>	<b>74,519,044</b>	<b>68,989,304</b>

## 12. LEASES

Leasing facilities refer to buildings, medical equipment and vehicles.

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Long term portion – Leasing	303,106,805	225,175,340
Current portion – Leasing	98,906,364	77,141,698
<b>TOTAL</b>	<b>402,013,169</b>	<b>302,317,038</b>

## 13. FINANCIAL DEBT

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Current portion of interest-bearing loans and borrowings	112,253,132	83,496,070
Non-current portion of Interest-bearing loans and borrowings	1,042,395,050	803,273,659
<b>TOTAL</b>	<b>1,154,648,182</b>	<b>886,769,729</b>

On 13 December 2022, following the approval of the General Meeting of Shareholders on 21 November 2022, MedLife, together with co-borrowers BAHTCO INVEST S.A., ACCIPIENS S.A., POLICLINICA DE DIAGNOSTIC RAPID S.A., CLINICA POLISANO S.R.L., DENT ESTET CLINIC S.A., GENESYS MEDICAL CLINIC S.R.L., CENTRUL MEDICAL SAMA S.A., VALDI MEDICA S.R.L., PHARMALIFE MED S.R.L., PRIMA MEDICAL S.R.L., ANIMA SPECIALTY MEDICAL SERVICES S.R.L., CED PHARMA S.R.L., BADEA MEDICAL S.A., CENTRUL MEDICAL MICROMEDICA S.R.L., SOLOMED CLINIC S.A., VITA CARE FLAV S.R.L., PHARMACHEM DISTRIBUTIE S.A., SANO PASS S.A., MNT ASSET MANAGEMENT S.R.L., MNT HEALTHCARE EUROPE S.R.L., SWEAT CONCEPT ONE S.A., ONCO CARD S.R.L., ONCOCARD INVEST S.R.L., DIAMED CENTER S.R.L., STEM CELLS BANK S.A., SFATUL MEDICULUI.RO S.A. and MEDICI'S S.A., signed with Banca Comercială Română, as lead arranger, a syndicated credit facility in the total amount of 228 million euros for the refinancing and increase of the existing credit of 50.7 million euros. The bank syndicate that signed the new credit granted to the MedLife Group is comprised of Banca Comercială Română, as coordinator, lead arranger, documentation agent, facility and guarantee agent, and financier, Raiffeisen Bank, BRD Groupe Societe Generale, Banca Transilvania, ING Bank N.V. Amsterdam Branch Bucharest, and Erste Group Bank AG, as lead arrangers and financiers.

The syndicated credit contract involves a refinancing agreement for existing facilities, extending the financing period, rearranging terms and conditions, as well as an additional increase of 50.7 million euros, which is in the form of a term facility, used by MedLife, along with other liquidity of the Group, for acquisition opportunities on the market and organic development projects.

The closing balance of the syndicated loan is 1,009,658,458 RON as of December 31<sup>th</sup> 2023.

As at December 31, 2023, the Group's drawn and undrawn financing facilities included the following:

- loan agreement and an overdraft facility agreement secured by CEC Bank S.A. and Clinica Polisano S.R.L., with an outstanding balance of RON 29,616,443 as of 31 December 2023;
- a loan agreement secured by Banca Transilvania S.A. and Ghencea Medical Center S.A., with an outstanding balance of RON 433,641 as of 31 December 2023;
- a loan agreement secured by Banca Transilvania S.A. and Micromedica Roman S.R.L., with an outstanding balance of RON 630,789 as of 31 December 2023;
- two loan agreements secured by Banca Transilvania S.A. and Centrul Medical Micromedica S.R.L., with an outstanding balance of RON 476,628 as of 31 December 2023;
- a loan agreement secured by Banca Transilvania S.A. and Dent Estet Ploiesti S.R.L., with an outstanding balance of RON 1,908,305 as of 31 December 2023;
- a loan agreement secured by Banca Comercială Română and Life Med S.R.L., with an outstanding balance of RON 420,292 as of 31 December 2023;
- a loan agreement secured by BRD GROUPE SOCIETE GENERALE S.A. and Pro Life Clinics S.R.L., with an outstanding balance of RON 37,500 as of 31 December 2023, and a loan agreement secured by ING BANK N.V. AMSTERDAM SUCURSALA BUCURESTI and Pro Life Clinics S.R.L., with an outstanding balance of RON 35,247 as of 31 December 2023;
- a loan agreement secured by EXIM BANK S.A. and Medicris S.R.L., with an outstanding balance of RON 39,627 as of 31 December 2023;
- a loan agreement secured by Banca Transilvania S.A. and Medical City Blue S.R.L., with an outstanding balance of RON 337,833 as of 31 December 2023;

- a loan agreement secured by Banca Transilvania S.A. and Centrul de Diagnostic și Tratament Provita S.R.L., with an outstanding balance of RON 83,981,514 as of 31 December 2023;
- a loan agreement secured by Banca Comercială Română and Provita Pain Clinic S.A., with an outstanding balance of RON 536,307 as of 31 December 2023;
- a loan agreement secured by Libra Bank and Polyclinica Union S.R.L., with an outstanding balance of RON 98,759 as of 31 December 2023;
- a loan agreement secured by Banca Transilvania S.A. and Onco Team Diagnostic S.R.L., with an outstanding balance of RON 152,778 as of 31 December 2023;
- an overdraft facility agreement secured by Garanti Bank S.A. and Med Life S.A., with the amount drawn as of 31 December 2023 being RON 9,949,200;
- an overdraft facility agreement secured by Unicredit Tiriac Bank and Prima Medical S.R.L., with a maximum credit limit of RON 800,000, fully drawn as of 31 December 2023;
- an overdraft facility agreement secured by Banca Transilvania S.A. and Pharmachem Distributie S.R.L., with an outstanding balance of RON 1,306,367 as of 31 December 2023;
- an overdraft facility agreement concluded between Banca Transilvania S.A. and Medical City Blue S.R.L., with an outstanding balance of RON 293,797 as of 31 December 2023;
- an overdraft facility agreement concluded between Banca Transilvania S.A. and Centrul de Diagnostic și Tratament Provita S.R.L., with an outstanding balance of RON 2,901,572 as of 31 December 2023;
- an off-balance sheet credit facility concluded between Banca Comercială Română and the entities Med Life S.A., Pharmalife Med S.R.L., Polyclinica de Diagnostic Rapid S.A. and Pharmachem Distributie S.R.L. , with an outstanding balance of 29,847,600 RON as of 31 December 2023.

The interest rate for each loan for each interest period is the rate per year that is the sum of the applicable margin and depending on the currency of each loan, EURIBOR 6M for the amounts in EUR or ROBOR 6M for the amounts in RON.

As at December 31, 2023 none of the Group members was in breach of any applicable term of the financing facilities.

#### **14. SHARE CAPITAL AND SHARE PREMIUM**

The issued share capital in nominal terms consists of 531,481,968 ordinary shares as at 31 December 2023 (31 December 2022: 132,870,492) with a nominal value of RON 0.25 per share. The holders of ordinary shares are entitled to one vote per share in the shareholders' meetings of the Company, except for the treasury shares bought back by the Company as part of the share buy-back program. All shares rank equally and confer equal rights to the net assets of the Company, except for treasury shares.

In accordance with the Decision of the Extraordinary General Meeting of Shareholders of the Company dated 3 August 2023, the share capital of the Company was increased with the amount of RON 99,652,869, from RON 33,217,623 to RON 132,870,492, by issuance of a number of 398,611,476 new shares with a nominal value of RON 0.25 per share. The Share Capital increase was carried out through the incorporation of share premiums and reserves (with the exception of the legal reserves), and the newly issued shares were allocated free of charge to the Company's shareholders registered in the register of shareholders kept by Depozitarul Central - S.A. as of 04.09.2023, established as record date ("Record Date").

The effects of the share capital increase were processed on 5 September 2023 and the newly issued shares were allocated to shareholders. The total number of issued ordinary shares of the Company after the share capital increase is 531,481,968.

**December 31, December 31,**

**2023 2022**

Share capital	132,870,492	33,217,623
Share premium	(308,155)	50,594,933
<b>TOTAL</b>	<b>132,562,337</b>	<b>83,812,556</b>

	<b>Number of shares</b>	<b>%</b>	<b>Value</b>
Legal entities	289,227,475	54.42%	72,306,869
Marcu Mihail	78,484,828	14.77%	19,621,207
Cristescu Mihaela Gabriela	74,642,760	14.04%	18,660,690
Marcu Nicolae	55,341,600	10.41%	13,835,400
Others	33,785,305	6.36%	8,446,326
<b>TOTAL</b>	<b>531,481,968</b>	<b>100.00%</b>	<b>132,870,492</b>

**15. RESERVES**

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
General reserves	24,344,101	24,325,883
Other reserves	35,946,388	30,768,310
Revaluation reserves	149,497,049	149,497,049
<b>TOTAL</b>	<b>209,787,538</b>	<b>204,591,242</b>

**16. NON-CONTROLLING INTEREST**

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
<b>Balance at beginning of year</b>	<b>65,257,412</b>	<b>43,295,149</b>
Share of profit for the year	(8,448,426)	5,259,484
Share of other comprehensive income	-	1,673,316
Non-controlling interests arising on the acquisition of subsidiaries	29,414,107	21,895,097
Subsequent acquisition of NCI	(5,805,932)	(6,865,634)
Distribution of dividends	(1,397,470)	-
<b>TOTAL</b>	<b>79,019,691</b>	<b>65,257,412</b>

**17. REVENUE FROM CONTRACTS WITH CUSTOMERS**

Revenue from customers consist of medical services, including revenues from prevention packages of corporate customers and fees for services rendered within Group's medical facilities. Please see breakdown below.

<b>Business Line</b>	<b>12 months 2023 Sales</b>	<b>% of Total Sales</b>	<b>12 months 2022 Sales</b>	<b>% of Total Sales</b>	<b>Variation 2023/2022</b>
Clinics	831,141,305	37.6%	616,685,378	34.3%	34.8%
Stomatology	121,778,348	5.5%	119,068,495	6.6%	2.3%
Hospitals	480,454,826	21.7%	377,991,740	21.1%	27.1%
Laboratories	230,656,316	10.4%	199,919,067	11.1%	15.4%
Corporate	259,493,546	11.7%	221,374,274	12.3%	17.2%
Pharmacies	60,709,968	2.7%	80,941,362	4.5%	-25.0%
Others	227,342,671	10.3%	179,452,431	10.0%	26.7%
<b>TOTAL SALES</b>	<b>2,211,576,981</b>	<b>100.0%</b>	<b>1,795,432,747</b>	<b>100%</b>	<b>23.2%</b>

**18. OTHER OPERATING REVENUES**

	<b>12 months 2023</b>	<b>12 months 2022</b>
Other operating revenues	11,260,489	4,955,689
Income from operating grants	2,637,467	2,491,038
Capitalized cost of intangible assets	-	6,671,334
<b>TOTAL</b>	<b>13,897,956</b>	<b>14,118,061</b>

Capitalized cost of intangible assets was reclassified to operating expenses in the reporting period.

**19. OTHER OPERATING EXPENSES**

	<b>12 months 2023</b>	<b>12 months 2022</b>
Utilities	35,089,378	25,955,216
Repairs maintenance	19,369,183	13,361,182
Rent	13,446,289	8,432,798
Insurance premiums	5,962,658	4,711,548
Promotion expense	37,019,598	26,664,612
Communications	6,089,145	5,211,175
Other administration and operating expenses	32,744,209	25,567,358
<b>TOTAL</b>	<b>149,720,460</b>	<b>109,903,888</b>

## 20. NET FINANCIAL RESULT

	<b>12 months 2023</b>	<b>12 months 2022</b>
(Loss)/Gain from foreign exchange rate impact	(9,507,673)	(4,082,363)
Finance cost	(75,072,793)	(34,323,373)
Bank commissions	(6,281,252)	(8,165,777)
Other income	821,421	637,298
Interest income	3,423,077	1,261,843
<b>FINANCIAL NET PROFIT/(LOSS)</b>	<b>(86,617,219)</b>	<b>(44,672,371)</b>

## 21. FINANCIAL ANALYSIS

### Analysis of the Consolidated Comprehensive Income

Sales for the 12 months period ended December 31, 2023, amounted to RON 2,211,576,981 higher by 23.2% compared to sales recorded for the 12 months period ended December 2022. This increase was mainly the result of growth in almost all of the Group's business lines, as well as the impact of the acquisitions completed by the Group in 2022 and 2023.

Other operating revenues have decreased by 1.6% in 2023 compared to previous year, reaching RON 13,897,955 in 2023, due to reclassification of capitalized cost of intangible asset to operating expenses.

Operating expenses include variable and fixed costs, as well as the cost of goods and materials used to provide the Group's services. The Group recorded operating expenses of 2,131,561,916 for 12 months 2023, representing an increase of 24%, or RON 416,240,780 as compared to 12 months 2022. The Group's operating expenses as a percentage of total operating income reached 95.7% for the 12 months period ended 31 December 2023 and 94.8% for the 12 months period ended 31 December 2022.

### Operating expenses evolution

	<b>12 months 2023</b>	<b>12 months 2022</b>
Consumable materials and repair materials	390,007,066	311,233,127
Commodities expenses	208,162,319	209,975,320
Utilities	35,089,378	25,955,216
Repairs maintenance	19,369,183	13,361,182
Rent	13,446,289	8,432,798
Insurance premiums	5,962,658	4,711,548
Promotion expense	37,019,598	26,664,612
Communications	6,089,145	5,211,175
Third party expenses (including doctor's agreements)	625,682,515	468,196,458
Salary and related expenses	543,050,947	442,897,905
Social contributions	19,473,327	15,852,088
Depreciation	193,189,594	152,410,751
Impairment losses and gains (including reversals of impairment losses)	2,275,688	4,851,599
Other administration and operating expenses	32,744,209	25,567,358
<b>TOTAL</b>	<b>2,131,561,916</b>	<b>1,715,321,136</b>

Operating profit remained in line for 12 months 2023 as compared to 12 months 2022, reaching RON 93,913,020 for the 12 months period.

Financial loss increased for 12 months 2023 with RON 41,944,848 from a negative RON 44,672,371 for 12 months 2022 to a negative RON 86,617,219 for 12 months 2023.

The net result for the 12 months period ended 31 December 2023 decreased with RON 43,106,460 as compared to the corresponding period of 2022, from RON 37,432,555 for 12 months 2022 to a loss of RON 5,676,904 for 12 months 2023.

On a pro-forma basis, gross sales for 12 months 2023 amount to RON 2,243,900,220 and Adjusted EBITDA to RON 317,881,281. Please refer to Note 24 – UNAUDITED CONSOLIDATED PRO-FORMA FINANCIAL INFORMATION for more information regarding pro-forma financial information.

### Analysis of the Consolidated Balance Sheet

Non-current assets amount to RON 2,113,089,470 as of 31 December 2023, recording an increase of RON 426,499,446 or 25.3% as compared to December 31 2022. Increase mainly due to increase in Property, Plant and Equipment following of acquired companies as well as organic development projects, most significant being Nord Hospital and Oncology Centers. Increase also due to increase in Goodwill, following investments in new acquired

companies.

Current assets increased with RON 42,265,997 or by 9.1% from RON 465,386,305 as at 31 December 2022 to RON 507,652,302 as at 31 December 2023.

Current liabilities (excluding interest-bearing debt items) increased with RON 75,619,650 or by 18.2%, from RON 414,943,880 as at 31 December 2022, to RON 490,563,530 as at 31 December 2023.

Interest bearing debt increased with RON 367,574,584 or by 30.9% from RON 1,189,086,767 as of 31 December 2022 to RON 1,556,661,351 as of 31 December 2023.

## 22. MAIN FINANCIAL RATIOS

<b>Period ended at December 31, 2023</b>		
<b>1 Current ratio</b>		
Current assets	<u>507,652,302</u>	= 0.72
Current liabilities	<u>701,723,026</u>	
<b>2 Debt to equity ratio</b>		
Long Term Debt	<u>1,373,960,745</u>	= 276%
Equity	<u>497,583,976</u>	
Long Term Debt	<u>1,373,960,745</u>	= 73%
Capital Assets	<u>1,871,544,721</u>	
<b>3 Trade receivables turnover (days)</b>		
Average receivables	<u>239,935,320</u>	= 39.06
Sales	<u>2,211,576,981</u>	
<b>4 Fixed assets turnover</b>		
Sales	<u>2,211,576,981</u>	= 1.05
Net Fixed Assets	<u>2,113,089,470</u>	

## 23. OPERATIONAL KEY PERFORMANCE INDICATORS

Business line	Info	<b>12 months ended</b>	
		<b>2023</b>	<b>2022</b>
Clinics	<b>Revenue</b>	<b>831,141,305</b>	<b>616,685,378</b>
Clinics	Visits	3,834,062	3,205,637
Clinics	Avg fee	216.8	192.4
Stomatology	<b>Revenue</b>	<b>121,778,348</b>	<b>119,068,495</b>
Stomatology	Visits	185,829	176,437
Stomatology	Avg fee	655.3	674.9
Hospitals	<b>Revenue</b>	<b>480,454,826</b>	<b>377,991,740</b>
Hospitals	Patients	139,234	116,447
Hospitals	Avg fee	3,450.7	3,246.0
Laboratories	<b>Revenue</b>	<b>230,656,316</b>	<b>199,919,067</b>
Laboratories	Analyses	7,424,270	6,304,825
Laboratories	Avg fee	31.1	31.7
Corporate	<b>Revenue</b>	<b>259,493,546</b>	<b>221,374,274</b>
Corporate	Subscriptions	873,036	834,434
Corporate	Avg fee	297.2	265.3
Pharmacies	<b>Revenue</b>	<b>60,709,968</b>	<b>80,941,362</b>
Pharmacies	Clients	468,896	575,323
Pharmacies	Sales per client	129.5	140.7
Others	<b>Revenue</b>	<b>227,342,671</b>	<b>179,452,431</b>

## 24. UNAUDITED CONSOLIDATED PRO-FORMA FINANCIAL ("CONSOLIDATED PRO FORMA PROFIT & LOSS")

### Introduction

The following Consolidated Pro Forma Profit & Loss of the Consolidated Profit & Loss is based on the Group's Consolidated FS for the 12 months period ended December 31, 2023, adjusted with the historical financial results of the companies acquired by the Group during the period from December 31 2022 up to December 31, 2023 (the "Acquired Companies").

Details of the Acquired Companies are set out below.

The Consolidated Pro Forma Profit & Loss for the 12 months period ended December 31, 2023 transposes:

- (i) the acquisition of the Acquired Companies as if the acquisition had occurred on 1 January 2023 by combining the financial results for the period of the Acquired Companies with those of the Group and
- (ii) the elimination of certain expenses included in the Consolidated Profit & Loss of the Group which the Group considers to be non-operational and/or non-recurring by nature.

The Consolidated Pro Forma Profit & Loss provides a hypothetical illustration of the impact of the transactions on the Company's earnings. The Consolidated Pro Forma Profit & Loss has been prepared for the Group as at and for the 12 months period ended December 31, 2023.

The Consolidated Pro Forma Profit & Loss should be read in conjunction with the Consolidated FS for the 12 months period ended December 31, 2023.

### Purpose of the Consolidated Pro Forma Profit & Loss

The Consolidated Pro Forma Profit & Loss set out below has been prepared to

- (i) illustrate the effect on the Group of the acquisitions completed in 2023 and
- (ii) provide an estimate of the Group's recurring EBITDA.

The Group's unaudited consolidated pro forma Adjusted EBITDA is also useful when analyzing the Group's current debt compared to its earnings capacity.

Although the Consolidated Balance Sheet in the Consolidated FS include the full amount of debt incurred to finance the acquisitions completed as of December 31, 2023, the Consolidated Profit & Loss includes no portion of the annual earnings of the Acquired Companies.

Using the unaudited consolidated pro forma Adjusted EBITDA for such comparison allows inclusion of a measure of the full period earnings that will contribute to the servicing of the debt incurred in relation to the acquisitions.

The Consolidated Pro Forma Profit & Loss has been prepared for illustrative purposes only and, because of its nature, to address a hypothetical situation and therefore, does not represent the Group's actual financial results.

The Consolidated Pro Forma Profit & Loss does not necessarily reflect what the combined Group's financial condition or results of operations would have been, had the acquisitions occurred on the dates indicated in the pro-forma calculations. They also may not be useful in predicting the future financial condition and results of operations of the Group with the acquired companies.

The actual financial position and results of operations may differ significantly from the pro forma amounts reflected herein due to a variety of factors.

### Consolidated Pro-Forma Profit & Loss

**12 Months ended December 31, 2023**

	<b>Consolidated PL</b>	<b>Normalisation</b>	<b>One off</b>	<b>Consolidated Pro forma PL</b>
<b>GROSS SALES</b>	<b>2,211,576,981</b>	32,323,239	-	2,243,900,220
<b>NET SALES</b>	<b>2,211,576,981</b>	(102,685,672)	-	2,108,891,308
Other operating revenues	13,897,955	974,988	-	14,872,943
<b>OPERATING INCOME</b>	<b>2,225,474,936</b>	<b>(101,710,684)</b>	-	2,123,764,252
<b>OPERATING EXPENSES</b>	<b>(2,131,561,916)</b>	<b>103,738,011</b>	<b>25,997,430</b>	<b>(2,001,826,476)</b>
<b>OPERATING PROFIT</b>	<b>93,913,020</b>	<b>2,027,326</b>	<b>25,997,430</b>	<b>121,937,776</b>
Finance cost	(81,354,044)	(1,088,189)	-	(82,442,233)
Other financial expenses	(5,263,175)	198,279	-	(5,064,896)
<b>FINANCIAL RESULT</b>	<b>(86,617,219)</b>	<b>(889,910)</b>	-	<b>(87,507,129)</b>
<b>RESULT BEFORE TAXES</b>	<b>7,295,801</b>	<b>1,137,416</b>	<b>25,997,430</b>	<b>34,430,647</b>
Income tax expense	(12,972,705)	(88,377)	(4,159,589)	(17,220,671)
<b>NET RESULT</b>	<b>(5,676,904)</b>	<b>1,049,039</b>	<b>21,837,841</b>	<b>17,209,976</b>

**From Net Result to Adjusted EBITDA**

	<b>12 Months ended December 31, 2023</b>			
	<b>Consolidated PL</b>	<b>Normalisation</b>	<b>One off</b>	<b>Consolidated Pro forma PL</b>
<b>Net income/(loss) for the period</b>	<b>(5,676,904)</b>	<b>1,049,039</b>	<b>21,837,841</b>	<b>17,209,976</b>
Add back:				
<b>Taxes on income</b>	<b>12,972,705</b>	<b>88,377</b>	<b>4,159,589</b>	<b>17,220,671</b>
Out of which:				
Base tax expense	12,972,705	88,377	-	13,061,082
One off impact	-	-	4,159,589	4,159,589
<b>Net financial result</b>	<b>86,617,219</b>	<b>889,910</b>	<b>-</b>	<b>87,507,129</b>
<b>Depreciation, amortisation and impairment, including write-ups</b>	<b>193,189,594</b>	<b>2,753,911</b>	<b>-</b>	<b>195,943,505</b>
<b>Adjusted EBITDA</b>	<b>287,102,614</b>	<b>4,781,237</b>	<b>25,997,430</b>	<b>317,881,281</b>

**Sales split by Business Line**

	<b>12 Months ended December 31, 2023</b>			
	<b>Consolidated PL</b>	<b>Normalisation</b>	<b>One off</b>	<b>Consolidated Pro forma PL</b>
Clinics	831,141,305	(38,338,062)	-	792,803,243
Stomatology	121,778,348	-	-	121,778,348
Laboratories	230,656,316	3,845,531	-	234,501,847
Corporate	259,493,546	560,788	-	260,054,334
Hospitals	480,454,826	(68,770,109)	-	411,684,717
Pharmacies	60,709,968	-	-	60,709,968
Other	227,342,671	16,180	-	227,358,850
<b>Total Sales</b>	<b>2,211,576,981</b>	<b>(102,685,672)</b>	<b>-</b>	<b>2,108,891,308</b>

\*Negative amounts are due to the elimination of the amounts from National Healthcare Program for Oncology in total amount of 135 million RON, following increase in chemotherapy business, for comparative purposes.

**Basis for the Consolidated Pro Forma Profit & Loss**

The Consolidated Pro Forma Profit & Loss for the 12-month period ended December 31, 2023 has been prepared starting from the Consolidated Profit & Loss of the Group as of December 31, 2023.

The Consolidated Pro Forma Profit & Loss was prepared in a manner consistent with the accounting policies adopted by the Group in the Consolidated FS as of December 31, 2023.

The Consolidated Pro Forma Profit & Loss for the 12 months ended December 31, 2023 gives effect to the acquisitions of the Acquired Companies as if the acquisitions had occurred on January 1<sup>st</sup>, 2023.

Also, certain expense items incurred by the Group in the relevant period which are considered to be non-operational and/or non-recurring by nature as detailed in the notes to the tables, are reflected in the Consolidated Pro Forma Profit & Loss as one-off adjustments, based on management judgment for the Group, without taking into account the Acquired Companies.

**Consolidated Pro Forma Profit & Loss adjustments**

**Normalization adjustments**

Normalization adjustments are made to include the financial results of the Acquired Companies in the Group results for the relevant period.

The adjustments represent the unaudited Income Statement items for the portion of the relevant period prior to and including the month of acquisition of the companies.

The companies that were normalized and the months included in the normalization are set out below:

<b>Entity</b>	<b>Date of obtaining control</b>	<b>Months included in Normalization (inclusive) 1 January – 31 December 2023</b>
Nord Group	April 2023	January – March 2023
Muntenia Hospital	February 2023	January 2023
Policlinica Sf. Ilie SRL	March 2023	January – February 2023
Policlinica Union SRL	July 2023	January – June 2023
Brol Medical Center SA	October 2023	January – September 2023

### **One off adjustment**

One-off adjustments represent expenses which have been included in the Group's Consolidated Profit & Loss but which, in the Group's opinion, represent non-recurring and/or non-operational expenses by nature.

These expenses relate mostly to loss incurred by early- stage units for the period before opening of these units. In addition costs incurred with the acquisition of the Target companies which were expensed earlier than capitalized as part of the acquisition cost of the company are also included in one-off adjustments, as well as other one expenses which are not recurrent for the Group.

The one-off expenses are presented below. The amounts calculated for each of the expenses is gross of the applicable income tax.

<b>Type of Expense</b>	<b>Amount for 12 months 2023</b>	<b>Note</b>
Cost of Acquisitions	2,029,980	Note A
Other costs	21,198,453	Note B
Consultancy costs	2,768,998	Note C
<b>Total</b>	<b>25,997,431</b>	

#### **Note A**

Cost of Acquisitions includes the expenses incurred in respect of external due diligence reports on target companies covering financial, taxation and legal due diligence. The external costs of aborted acquisitions are also included.

These expenses are considered non-recurrent and non-operational, as they do not relate to the operational medical business of the Group.

#### **Note B**

Expenses related mostly to early stage investments that are loss making, for the period before their opening (Neolife Braila, Neolife Valcea and Nord Hospital).

#### **Note C**

Includes non-recurring costs related to one-off projects.

## **25. IMPORTANT EVENTS**

### **Acquisitions**

#### *Acquisition of Muntenia Hospital*

On 10 January 2023, MedLife Group announced the completion of the transaction to take over 99.76% of Muntenia Hospital shares, the largest hospital in Arges county, after the approval from the Competition Council. Thus, the leader of the private medical services market in Romania consolidates its medical expertise in the hospital area.

During the year, following an intra-group transaction, Muntenia Hospital was transferred to the Nord Group, thus, on December 31, 2023, the MedLife Group's indirect ownership in Muntenia Hospital was 51%.

#### *Acquisition of Nord Group (formerly Provita)*

On 30 March 2023, MedLife announced the completion of the acquisition of a 51% stake in Nord Group (formerly Provita) after receiving approval from the Competition Council.

In its 11 years of activity in the private medical services market, Nord Group has been particularly successful in Bucharest, where it is present through a multidisciplinary hospital, 5 clinics, two state-of-the-art imaging centers, a laboratory for processing a wide range of medical analyses and tests, as well as the only pain therapy training center in Central and Eastern Europe. At the end of 2022, Nord Group expanded outside of the capital by opening a multidisciplinary clinic in Suceava worth EUR 2.5 million, which houses an integrated Pain Therapy Center and a Breast Center.

#### *Acquisition of Union Medical Clinic (through Sfanta Maria Group)*

In July 2023, the MedLife Group completed the acquisition of the majority stake of 51% of the Union Medical Clinic in Cluj, a clinic that was integrated into the Sfânta Maria network.

The Union Medical Clinic has over 10 years of experience on the Cluj market and offers a diverse range of high-quality services, covering 21 medical specialties, including cardiology, dermatovenerology, diabetes and nutrition, endocrinology, family medicine, neurology, obstetrics- gynecology, ophthalmology, orthopedics, psychiatry, psychology and urology. Being in a continuous process of development, the clinic integrates the latest techniques and medical devices to ensure treatment to patients at European standards.

#### *Acquisition of Sfântul Ilie Polyclinic (through Sfanta Maria Group)*

In July 2023, the MedLife Group completed the acquisition of the entire share package of the Sfântul Ilie Polyclinic in Craiova, this being integrated into the Sfânta Maria network, part of the MedLife Group.

Present on the local market since 2000, Polyclinica Sfântul Ilie is one of the first private clinics in Craiova. With 12 medical specialties, the clinic offers comprehensive medical services and paraclinical investigations to meet the needs of all patients, thus becoming a point of reference in medical activity at county level.

#### *Acquisition of Brol Medical Center*

In September 2023, Med Life S.A., through Medici's SRL, completed the acquisition of a 56% stake in Brol Medical Center. Brol Clinic started its activity in 1996 and has over 25 years of experience in cosmetic surgery. The clinic offers plastic, reconstructive and aesthetic surgery services, consultations and dermatological treatments, as well as nutrition consultations.

### **Organic growth**

#### *MedLife Deva Hyperclinic*

In January 2023, MedLife inaugurated the largest medical clinic in Deva. The unit is distinguished by an elite medical team, but also by an imaging division equipped with top medical equipment. Hyperclinic Deva completes the network of MedLife units, providing patients with a complete circuit of medical services, from clinical and paraclinical investigations to diagnosis and treatment.

#### *Neolife Râmniciu Vâlcea Clinic*

On September 21<sup>st</sup>, Neolife Medical Center Romania inaugurated, in Râmniciu Vâlcea, Radiotherapy and Imaging Center. Located in the courtyard of the Hospital of Obstetrics and Gynecology, the new clinic comes with an innovative contribution in the fight against cancer and represents a significant plus in the treatment and diagnosis of oncological diseases. Equipped with state-of-the-art technology, including state-of-the-art equipment, this unit will provide complex medical services for diagnosis, monitoring and treatment for patients with oncological conditions.

#### *Neolife Brăila Clinic*

On September 14<sup>th</sup> was the inauguration of the sixth Neolife private medical center in Romania, located in the courtyard of Brăila County Hospital. The new Neolife Brăila center is equipped with state-of-the-art equipment and equipment, the medical team being made up of professionals in the field of oncological medicine. The diagnostic and treatment services offered by Neolife are free, the costs being reimbursed by the National Health House (NHH).

#### *Nord Hospital (Provita)*

At the end of December 2023, Nord Group launched a new multidisciplinary medical hospital dedicated to health and life, with a modern infrastructure and the latest technology in the field. With an extensive area of 25,000 square meters, the new hospital has 8 ultra-modern operating rooms, 50 reserves and 107 beds. The hospital also has an Integrated Pain Therapy Center and an Integrated Imaging Center and offers more than 28 medical specialties, for both adults and children. The medical teams will be focused on complex interventions, covering the multiple surgical areas.

### **Corporate events**

#### **27 April 2023 Annual General Shareholders Meeting**

On 24 March 2023 was published the Convening Notice for the Annual General Meeting of Shareholders (OGMS) scheduled for 27/28 April 2023. The main items submitted for the approval of MedLife shareholders' were:

- The audited annual financial statements for the year 2022, at individual and consolidated levels
- Discharge of liability of the Board of Directors' members
- Budget of revenues and expenses for the year 2023, at individual and consolidated levels
- Extension of the financial auditor's mandate for a period of 2 years
- Remuneration Report, subject to the consultative vote of shareholders
- Company Remuneration Policy

The items on the agenda were all approved during the 27 April 2023 OGSM.

#### **3 August 2023 General Extraordinary Shareholders Meeting**

On July 3<sup>rd</sup>, 2023, was published the Convening notice for the Extraordinary General Meeting of Shareholders scheduled for 3<sup>rd</sup>/4<sup>th</sup> August, 2023. The main items submitted for the approval of MedLife shareholders' were:

- Increase of the share capital
- Amendment of the Company's Articles of Incorporation as a result of the Share Capital Increase

The items on the agenda were all approved during the 3 August 2023 EGSM.

#### **22 December 2023 General Extraordinary Shareholders Meeting**

On 24 November 2023 was published the Convening Notice for the General Extraordinary Shareholders Meeting scheduled for 22/23 December 2023. The main item submitted for shareholders' approval was the increase of the syndicated credit line of EUR 50 million.

The items on the agenda were all approved during the 22 December 2023 EGSM.

### **26. SUBSEQUENT EVENTS**

There were no significant events after December 31, 2023.

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**Mihail Marcu,**  
CEO

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**Alina Irinoiu,**  
CFO

### **Declaration of management of MedLife Group**

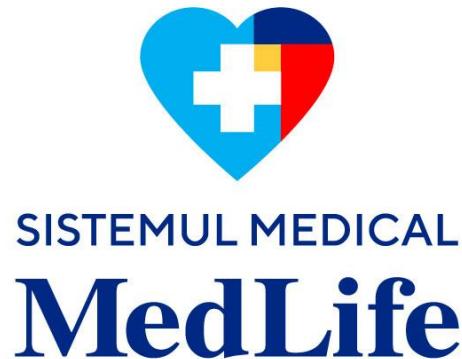
We confirm to the best of our knowledge that the Unaudited Consolidated Financial Statements of MedLife Group for the 12-month period ended December 31, 2023, which were prepared in accordance with the International Financial Reporting Standards as endorsed by the European Union, give a true and fair view of the consolidated financial position of the Group as at December 31, 2023, and of its consolidated financial performance and its consolidated cash flows for the period then ended.

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**Mihail Marcu,**  
CEO

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**Alina Irinoiu,**  
CFO



**MED LIFE S.A.**

**FINANCIAL REPORT YEAR ENDED DECEMBER 31<sup>ST</sup>,  
2023**

WHICH INCLUDE SIMPLIFIED UNAUDITED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED DECEMBER 31<sup>st</sup>, 2023

PREPARED IN ACCORDANCE WITH ORDER OF THE MINISTRY OF PUBLIC FINANCE NO.  
2844/2016 APPROVING THE ACCOUNTING REGULATIONS COMPLIANT WITH THE  
INTERNATIONAL FINANCIAL REPORTING STANDARDS

**Name of the issuing company:** Med Life S.A.

**Registered Office:** Bucharest, 365 Calea Griviței, District 1, Romania

**Fax no.:** 0040 374 180 470

**Unique Registration Code at the National Office of Trade Registry:** 8422035

**Order number on the Trade Registry:** J40/3709/1996

**Subscribed and paid-in share capital:** RON 132,870,492

**Regulated market on which the issued securities are traded:** Bucharest Stock Exchange

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	Dec 31, 2023	Dec 31, 2022	Variation
<b>ASSETS</b>			
<b>Long Term</b>			
Intangible assets	19,166,955	14,665,892	30.7%
Property, plant and equipment	356,542,012	342,815,667	4.0%
Right-of-use asset	48,559,696	71,911,269	-32.5%
Other financial assets	502,131,027	413,831,251	21.3%
<b>TOTAL NON-CURRENT ASSETS</b>	<b>926,399,691</b>	<b>843,224,079</b>	<b>9.9%</b>
<b>Current Assets</b>			
Inventories	14,382,019	12,513,597	14.9%
Receivables	87,202,024	66,525,981	31.1%
Receivables with group companies	161,747,816	162,430,816	-0.4%
Other receivables	32,505,422	18,251,900	78.1%
Cash and cash equivalents	10,201,520	15,141,431	-32.6%
Prepayments	2,469,788	2,674,932	-7.7%
<b>TOTAL CURRENT ASSETS</b>	<b>308,508,589</b>	<b>277,538,657</b>	<b>11.2%</b>
<b>TOTAL ASSETS</b>	<b>1,234,908,280</b>	<b>1,120,762,736</b>	<b>10.2%</b>
<b>LIABILITIES &amp; SHAREHOLDER'S EQUITY</b>			
<b>Long Term Debt</b>			
Lease liability	27,433,471	50,184,177	-45.3%
Other long term debt	-	12,651,217	-100.0%
Interest-bearing loans and borrowings	595,019,517	508,264,032	17.1%
Deferred tax liability	19,052,772	19,052,772	0.0%
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>641,505,760</b>	<b>590,152,198</b>	<b>8.7%</b>
<b>Current Liabilities</b>			
Trade and other payables	160,253,162	122,505,239	30.8%
Overdraft	9,949,200	9,894,800	0.5%
Current portion of lease liability	24,518,759	26,229,711	-6.5%
Current portion of interest-bearing loans and borrowings	45,220,583	31,933,045	41.6%
Intercompany payables	10,538,675	12,632,124	-16.6%
Current tax liabilities	97,549	980,993	-90.1%
Provisions	2,790,424	3,480,319	-19.8%
Other liabilities	17,935,094	17,677,023	1.5%
<b>TOTAL CURRENT LIABILITIES</b>	<b>271,303,446</b>	<b>225,333,254</b>	<b>20.4%</b>
<b>TOTAL LIABILITIES</b>	<b>912,809,206</b>	<b>815,485,452</b>	<b>11.9%</b>
<b>SHAREHOLDER'S EQUITY</b>			
Share capital and Share premium	132,562,336	83,812,556	58.2%
Treasury shares	(681,891)	(3,219,221)	-78.8%
Reserves	141,003,106	141,003,106	0.0%
Retained earnings	49,215,522	83,680,844	-41.2%
<b>TOTAL EQUITY</b>	<b>322,099,073</b>	<b>305,277,285</b>	<b>5.5%</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1,234,908,279</b>	<b>1,120,762,736</b>	<b>10.2%</b>

**Mihail Marcu,**  
CEO

**Alina Irinoiu,**  
CFO

	<b>Period ended Dec 31,</b>	<b>Period ended Dec 31,</b>	<b>Variation 2023/2022</b>
	<b>2023</b>	<b>2022</b>	
Revenue from contracts with customers	636,435,030	586,566,266	8.5%
Other operating revenues	15,354,939	6,826,511	124.9%
Other income from dividends	24,503,878	-	100.0%
<b>Operating Income</b>	<b>676,293,847</b>	<b>593,392,777</b>	<b>14.0%</b>
Consumable materials and repair materials	(88,422,209)	(81,748,854)	8.2%
Third party expenses	(235,985,768)	(205,746,479)	14.7%
Salary and related expenses	(184,464,871)	(173,443,751)	6.4%
Social contributions	(7,097,321)	(6,090,747)	16.5%
Depreciation	(62,167,805)	(57,865,833)	7.4%
Impairment losses and gains (including reversals of impairment losses)	(949,607)	(889,139)	100.0%
Other operating expenses	(51,450,411)	(44,119,711)	16.6%
<b>Operating expenses</b>	<b>(630,537,992)</b>	<b>(569,904,514)</b>	<b>10.6%</b>
<b>Operating Profit</b>	<b>45,755,855</b>	<b>23,488,263</b>	<b>94.8%</b>
Finance income - interest revenue	12,904,228	6,922,660	86.4%
Finance cost	(39,612,639)	(21,855,297)	81.2%
Other financial expenses & income	(4,454,829)	(2,752,063)	61.9%
<b>Financial loss</b>	<b>(31,163,240)</b>	<b>(17,684,700)</b>	<b>76.2%</b>
<b>Result Before Taxes</b>	<b>14,592,616</b>	<b>5,803,563</b>	<b>151.4%</b>
Income tax expense	-	(2,196,569)	-100.0%
<b>Net Result</b>	<b>14,592,616</b>	<b>3,606,994</b>	<b>304.6%</b>
<b>Other comprehensive income items that will not be reclassified to profit or loss</b>			
Gain / Loss on revaluation of properties	-	47,470,993	-100%
Deferred tax on other comprehensive income components	-	(7,595,359)	-100%
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>	<b>-</b>	<b>39,875,634</b>	<b>-100%</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>14,592,616</b>	<b>43,482,628</b>	<b>-66.4%</b>

**Mihail Marcu,**  
 CEO

**Alina Irinoiu,**  
 CFO

	<b>12 Months ended Dec 31,</b>	<b>12 Months ended Dec 31,</b>
	<b>2023</b>	<b>2022</b>
<b>Profit/(loss) before taxes</b>	<b>14,592,616</b>	<b>5,803,563</b>
<b>Adjustments for</b>		
Depreciation	62,167,805	57,865,833
Interest expense	39,612,639	21,855,297
Other income from dividends	(24,503,878)	-
Dividends received from subsidiaries	23,784,034	-
Allowance for doubtful debts and receivables written-off	949,607	889,139
Financial discounts	-	-
Reverse of provision for other current assets	(201,679)	-
Provisions for liabilities and charges	(689,895)	335,184
Other non-monetary gains	-	(3,612,057)
Unrealised exchange gain / loss on interest bearing obligations	4,454,829	2,752,063
Interest revenue	(12,904,228)	(6,922,660)
<b>Operating cash flow before working capital changes</b>	<b>107,261,849</b>	<b>78,966,362</b>
Decrease / (increase) in accounts receivable	(22,255,100)	(3,501,026)
Decrease / (increase) in inventories	(1,666,743)	(2,474,681)
Decrease / (increase) in prepayments	205,144	(66,582)
Increase / (decrease) in accounts payable	24,985,401	43,553,889
<b>Cash generated from WC changes</b>	<b>1,268,702</b>	<b>37,511,600</b>
<b>Cash generated from operations</b>	<b>108,530,551</b>	<b>116,477,962</b>
Income tax paid	(883,444)	(1,337,691)
Interest paid	(28,167,398)	(17,016,867)
<b>Net cash from / (used in) operating activities</b>	<b>79,479,710</b>	<b>98,123,404</b>
Purchase of investments	(84,701,318)	(149,251,414)
Payment of loans assigned from former shareholders	-	(16,746,241)
Purchase of intangible assets	(10,026,463)	(10,712,880)
Purchase of property, plant and equipment	(49,914,937)	(70,010,600)
Loans granted	389,781	(20,271,938)
<b>Net cash used in investing activities</b>	<b>(144,252,937)</b>	<b>(266,993,073)</b>
<b>Cash flow from financing activities</b>		
Payment of loans	(31,952,047)	(32,704,054)
Lease payments (IFRS 16)	(28,882,340)	(27,431,784)
Increase in loans	123,249,867	204,845,867
Payments for purchase of treasury shares	(488,715)	(7,851,828)
Decrease in loans granted to group companies	(2,093,449)	8,523,000
<b>Net cash from/ (used in) financing activities</b>	<b>59,833,316</b>	<b>145,381,201</b>
<b>Net change in cash and cash equivalents</b>	<b>(4,939,911)</b>	<b>(23,488,469)</b>
Cash and cash equivalents beginning of the year	15,141,431	38,629,900
<b>Cash and cash equivalents end of the year</b>	<b>10,201,520</b>	<b>15,141,431</b>

**Mihail Marcu,**  
 CEO

**Alina Irinou,**  
 CFO

	Share Capital	Treasury shares	Share premium	General reserves and other reserves	Revaluation Reserve	Accumulated Results	Total Equity
<b>Balance as at December 31, 2022</b>	<b>33,217,623</b>	<b>(3,219,221)</b>	<b>50,594,933</b>	<b>34,538,597</b>	<b>106,464,509</b>	<b>83,680,844</b>	<b>305,277,284</b>
Profit/(loss) of the period	-	-	-	-	-	14,592,616	<b>14,592,616</b>
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,592,616</b>	<b>14,592,616</b>
Increase from own shares acquisition	-	(488,714)	-	-	-	-	(488,714)
Increase/(decrease) of social capital through the issue of shares	99,652,869	-	(50,594,933)	-	-	(49,057,936)	
Net release of own shares used for acquiring additional NCI	-	3,026,045	-	-	-	-	<b>3,026,045</b>
Increase/(decrease) in premiums due to difference between fair value and cost of own shares when the exchange was made	-	-	(308,156)	-	-	-	(308,156)
<b>Balance as at December 31, 2023</b>	<b>132,870,492</b>	<b>(681,891)</b>	<b>(308,156)</b>	<b>34,538,597</b>	<b>106,464,509</b>	<b>49,215,523</b>	<b>322,099,075</b>

**Mihail Marcu,**  
CEO

**Alina Irinou,**  
CFO

	Share Capital	Treasury shares	Share premium	General reserves and other reserves	Revaluation Reserve	Accumulated Results	Total Equity
<b>Balance at January 1, 2022</b>	<b>33,217,623</b>	<b>(4,015,977)</b>	<b>49,177,468</b>	<b>34,538,597</b>	<b>66,588,874</b>	<b>80,073,849</b>	<b>259,580,434</b>
Profit/(loss) of the period						3,606,995	<b>3,606,995</b>
Gain/loss from revaluation of Land and Constructions	-	-	-	-	47,470,993	-	<b>47,470,993</b>
Deferred tax related to other comprehensive income	-	-	-	-	(7,595,358)	-	<b>(7,595,358)</b>
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>39,875,635</b>	<b>3,606,995</b>	<b>43,482,630</b>
Increase from own shares acquisition	-	(7,851,828)	-	-	-	-	<b>(7,851,828)</b>
Net release of own shares used for acquiring additional NCI	-	8,648,583	-	-	-	-	<b>8,648,583</b>
Increase in premiums due to difference between fair value and cost of own shares when the exchange was made	-	-	1,417,465	-	-	-	<b>1,417,465</b>
<b>Balance as at December 31, 2022</b>	<b>33,217,623</b>	<b>(3,219,221)</b>	<b>50,594,933</b>	<b>34,538,597</b>	<b>106,464,509</b>	<b>83,680,844</b>	<b>305,277,284</b>

**Mihail Marcu,**  
CEO

**Alina Irinoiu,**  
CFO

## **1. DESCRIPTION OF THE BUSINESS**

Med Life S.A. ("Med Life" or the "Company") is a joint-stock company incorporated in 1996, in accordance with the laws and regulations of Romania. The Company's activity resides in the performance of healthcare services activities through medical centres located in Bucharest, Cluj, Braila, Timisoara, Iasi, Galati, Ploiesti, Constanta and Targu Mures.

Med Life is one of the leading healthcare services providers in Romania, having a significant market share at a national level. The registered office of Med Life is located in Bucharest, Calea Grivitei, no. 365. The ultimate parent of the Med Life Group is Med Life SA.

## **2. ACCOUNTING PRINCIPLES, POLICIES AND METHODS**

The accounting policies applied in these simplified unaudited individual financial statements are the same as those applied in the Company's individual financial statements as of and for the financial year ended on December 31, 2022.

This financial report must be read together with the last individual annual financial statements of the Company as of and for the financial year ended on December 31, 2022, which includes all the necessary information for a complete set of financial statements prepared in accordance with International Financial Reporting Standards (IFRS) adopted by the European Union. However, certain explanatory notes are included to explain events and transactions that are significant for understanding the changes in the Company's financial position and performance compared to the last annual financial statements.

## **3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

### **3.1 Declaration of Conformity**

The individual financial statements ("financial statements") of the Company have been prepared in accordance with the provisions of Ministry of Finance Order no. 2844/2016 approving the accounting regulations compliant with the International Financial Reporting Standards, with all subsequent modifications and clarifications as well as in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union (EU).

The Company also prepares consolidated financial statements in accordance with IFRS as endorsed by the EU, which are available on the Company's website.

The accounting policies applied in these financial statements are the same as those applied in the Company's annual individual financial statements as at and for the year ended 31 December 2022.

The financial year corresponds to the calendar year.

### **3.2 Basis of preparation**

The financial statements of the Company are presented in RON ("Romanian Leu"), using going concern principles. All values are rounded to the nearest two decimals. The financial statements have been prepared on the historical cost basis, except for certain items that have been measured at fair value, such as certain non-current assets and financial instruments, as presented in the notes to the financial statements.

The Company maintains the accounting books in accordance with the Regulations on Accounting and Reporting issued by the Ministry of Finance in Romania.

### **3.3 Going concern**

These financial statements have been prepared on a going concern basis, which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The Company will continue its activity according to the normal course of business in the foreseeable future without encountering the impossibility of continuing its activity or without the significant decrease of its activity.

Based on the Company's current financial position and the modelled scenarios, the directors have concluded that the Company has sufficient liquidity to meet all its obligations for at least the twelve months from the date of this report and the directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

### **3.4 Significant judgements, estimates and assumptions**

The preparation of the financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities as of the date of the balance sheet and revenue and expenses for the period.

When preparing these simplified unaudited individual financial statements, the Company's judgements, estimates and significant assumptions are the same as those applied in the audited individual financial statements as of and for the financial year ended December 31, 2022.

### 3.5 Foreign currency and translation

#### **Presentation currency**

These financial statements are presented in Romanian Leu ("RON"), which is the currency of the primary economic environment in which the Company operates (its "functional currency").

The exchange rates as announced by the National Bank of Romania on December 31, 2023 were RON 4.9746 for 1 EUR (December 31, 2022: RON 4.9474 for 1 EUR), respectively 1.2995 for HUF 100 (December 31, 2022: RON 1.2354 for 100 HUF).

The average exchange rates for year 2023 were RON 4.9465 for 1 EUR (12 months 2022: RON 4.9315 for 1 EUR), respectively RON 1.2960 for 100 HUF (12 months 2022: RON 1.2648 for 100 HUF).

#### **Translation of foreign currencies**

Transactions in foreign currencies are translated to the respective functional currency of the Company at the exchange rate ruling at the time of the transaction. Foreign currency monetary assets and liabilities are retranslated into the functional currency at rates of exchange ruling at the reporting date. The foreign exchange differences arising on these translations are recognised as other financial income/expense in the income statement.

## 4. FINANCIAL ASSETS

The Company holds significant investments in other companies.

<b>Carrying amount</b>	
Cost of investments in other companies	
Long-term loans granted to group companies	
Other financial assets	
<b>TOTAL</b>	

	<b>December 31 2023</b>	<b>December 31 2022</b>
Cost of investments in other companies	486,305,347	398,886,091
Long-term loans granted to group companies	13,973,722	13,129,180
Other financial assets	1,851,958	1,815,980
<b>TOTAL</b>	<b>502,131,027</b>	<b>413,831,251</b>

The following table includes the list of Med Life subsidiaries as well as entities that are indirectly controlled, as follows:

No.	Entity	Main activity	Location	31 December 2023	31 December 2022
1	Policlinica de Diagnostic Rapid SA	Medical Services	Brasov, Romania	83%	83%
2	Medadapt SRL (indirect)*	Medical Services	Brasov, Romania	83%	83%
3	Histo SRL (indirect)*	Medical Services	Brasov, Romania	49.8%	49.8%
4	Policlinica de Diagnostic Rapid Medis SRL (indirect)*	Medical Services	Sfantu Gheorghe, Romania	66.4%	66.4%
5	Bahtco Invest SRL**	Development of building projects	Bucharest, Romania	100%	100%
6	Med Life Occupational SRL	Medical Services Distribution of	Bucharest, Romania	100%	100%
7	Pharmalife-Med SRL	Pharmaceutical Products in specialised stores	Bucharest, Romania	100%	100%
8	Med Life Broker de Asigurare si Reasigurare SRL	Insurance broker	Bucharest, Romania	99%	99%
9	Accipiens SA	Rental activities	Arad, Romania	83%	83%
10	Genesys Medical Clinic SRL (indirect)*	Medical Services	Arad, Romania	83%	83%
11	Bactro SRL (indirect)*	Medical Services	Deva, Romania	83%	83%
12	Transilvania Imagistica SA (indirect)*	Medical Services	Oradea, Romania	83%	83%
13	Biofarm Farmec SRL (indirect)*	Distribution of Pharmaceutical Products in specialised stores	Arad, Romania	100%	100%
14	RUR Medical SRL (indirect)**	Medical Services	Brasov, Romania	83%	83%
15	Biotest Med SRL	Medical Services	Bucharest, Romania	100%	100%
16	Vital Test SRL	Medical Services	Iasi, Romania	100%	100%
17	Centrul Medical Sama SA	Medical Services	Craiova, Romania	90%	90%
18	Ultratest SA (direct si indirect)*	Medical Services	Craiova, Romania	92%	92%
19	Diamed Center SRL	Medical Services	Bucharest, Romania	100%	100%
20	Prima Medical SRL	Medical Services	Craiova, Romania	100%	100%
21	Stem Cells Bank SA	Medical Services	Timisoara, Romania	100%	100%
22	Dent Estet Clinic SA*	Dental healthcare	Bucharest, Romania	65%	60%
23	Green Dental Clinic SRL (indirect)*	Dental healthcare	Bucharest, Romania	33.2%	31%
24	Dentist 4 Kids SRL (indirect)*	Dental healthcare	Bucharest, Romania	65%	60%
25	Dent A Porter SRL (indirect)*	Dental healthcare	Bucharest, Romania	33.5%	31%
26	Dentestet Kids SRL (indirect)*	Dental healthcare	Bucharest, Romania	34.4%	32%
27	Aspen Laborator Dentar SRL (indirect)*	Dental healthcare	Bucharest, Romania	48.8%	45%
28	Centrul Medical Panduri SA	Medical Services	Bucharest, Romania	100%	100%
29	Almina Trading SA	Medical Services	Targoviste, Romania	90%	90%
30	Anima Specialty Medical Services SRL	Medical Services	Bucharest, Romania	100%	100%
31	Anima Promovare si Vanzari SRL (indirect)*	Medical Services	Bucharest, Romania	100%	100%
32	Valdi Medica SA	Medical Services	Cluj, Romania	55%	55%
33	Clinica Polisano SRL	Medical Services	Sibiu, Romania	100%	100%
34	Solomed Clinic SA	Medical Services	Pitesti, Romania	80%	80%
35	Solomed Plus SRL (indirect)*	Medical Services	Pitesti, Romania	80%	80%

No.	Entity	Main activity	Location	31 December 2023	31 December 2022
36	Ghencea Medical Center SA	Medical Services	Bucharest, Romania	100%	100%
37	Sfatul medicului SRL	Medical Platform	Bucharest, Romania	100%	100%
38	RMC Dentart (indirect)*	Dental healthcare	Budapest, Ungaria	81.3%	81.3%
39	RMC Medical (indirect)*	Medical Services	Budapest, Ungaria	81.3%	81.3%
40	RMC Medlife	Holding	Budapest, Ungaria	81.3%	81.3%
41	Badea Medical SRL	Medical Services	Cluj, Romania	65%	65%
42	Oncoteam Diagnostic SRL**	Medical Services	Bucharest, Romania	100%	79%
43	Centrul medical Micromedica SRL	Medical Services	Piatra Neamt, Romania	100%	100%
44	Micromedica Targu Neamt SRL (indirect)*	Medical Services	Targu Neamt, Romania	100%	100%
45	Micromedica Bacau SRL (indirect)*	Medical Services	Bacau, Romania	100%	100%
46	Micromedica Roman SRL (indirect)*	Medical Services	Roman, Romania	100%	100%
47	Medrix Center SRL (indirect)*	Medical Services	Roznov, Romania	100%	100%
48	Spitalul Lotus SRL	Medical Services	Ploiesti, Romania	100%	100%
49	Labor Maricor SRL (indirect)*	Medical Services	Bacau, Romania	100%	100%
50	Centrul Medical Matei Basarab SRL (indirect)*	Medical Services	Bucharest, Romania	100%	100%
51	Pharmachem Distributie SRL	Distribution of Pharmaceutical Products	Bucharest, Romania	75%	75%
52	CED Pharma SRL (indirect)*	Distribution of Pharmaceutical Products in specialised stores	Bucharest, Romania	100%	100%
53	Leti Pharm 2000 SRL (indirect)*	Distribution of Pharmaceutical Products in specialised stores	Bucharest, Romania	100%	100%
54	Monix Pharm SRL (indirect)*	Distribution of Pharmaceutical Products in specialised stores	Bucharest, Romania	100%	100%
55	KronDent SRL (indirect)*	Dental healthcare	Brasov, Romania	39%	36%
56	Medica SA	Medical Services	Sibiu, Romania	60%	60%
57	Dent Estet Ploiesti SRL (indirect)*	Dental healthcare	Ploiesti, Romania	33.2%	30.6%
58	The Lab Stomestet SRL (indirect)*	Dental healthcare	Cluj, Romania	39%	36%
59	Stomestet SRL (indirect)*	Dental healthcare	Cluj, Romania	39%	36%
60	Stomestet Plus SRL (indirect)*	Dental healthcare	Cluj, Romania	39%	36%
61	Costea Digital Dental SRL (indirect)*	Dental healthcare	Oradea, Romania	38.4%	36%
62	Expert Med Centrul Medical Irina (indirect)*	Medical Services	Galati, Romania	76%	76%
63	MNT Healthcare Europe SRL	Medical Services	Ilfov, Romania	50%	50%
64	MNT Asset Management SRL (indirect)*	Holding	Bucharest, Romania	50%	50%
65	Clinica Life-Med SRL (indirect)*	Medical Services	Bucharest, Romania	100%	100%
66	Pro Life Clinics SRL (indirect)*	Medical Services	Iasi, Romania	60%	60%
67	Onco Card SRL (indirect)*	Medical Services	Brasov, Romania	83%	83%
68	Onco Card Invest SRL (indirect)*	Holding	Brasov, Romania	83%	83%
69	Tomorad Expert SRL (indirect)*	Medical Services	Sfantu Gheorghe, Romania	66.4%	66.4%
70	IT Repair SRL (indirect)*	Medical Services	Targu Mures, Romania	49.8%	49.8%

No.	Entity	Main activity	Location	31 December 2023	31 December 2022
71	Medici's SRL	Medical Services	Timisoara, Romania	80%	80%
72	Micro-Medic SRL	Medical Services	Timisoara, Romania	80%	80%
73	Sweat Concept One SRL	Wellness	Bucharest, Romania	60%	60%
74	OptiCristal Consult SRL (indirect)*	Medical Services	Brasov, Romania	49.8%	49.8%
75	Alinora Optimex SRL (indirect)*	Medical Services	Brasov, Romania	49.8%	49.8%
76	Medicris SRL (indirect)*	Medical Services	Oradea, Romania	83%	83%
77	Triamed SRL (indirect)*	Medical Services	Oradea, Romania	83%	83%
78	SC M-Profilaxis SRL (indirect)*	Medical Services	Timisoara, Romania	80%	80%
79	VitaCare Flav SRL (indirect)*	Medical Services	Pitesti, Romania	51%	80%
80	Dent Estet Genesys SRL (indirect)*	Medical Services	Arad, Romania	82.2%	71.3%
81	Aspire Dental SRL (indirect)*	Dental healthcare	Bucharest, Romania	65%	60%
82	Sanopass SA	Medical Platform	Targoviste, Romania	62.5%	51%
83	Muntenia Medical Competences S.A. *	Medical Services	Pitesti, Romania	51.0%	0%
84	Bios Diagnostic Medical Services SRL *	Medical Services	Bucharest, Romania	51%	0%
85	Centrul de Diagnostic si Tratament Provitra S.A.	Medical Services	Bucharest, Romania	51%	0%
86	Medical City Blue SRL *	Medical Services	Bucharest, Romania	51%	0%
87	Laborator Cuza Voda SRL *	Medical Services	Bucharest, Romania	51%	0%
88	Provita Pain Clinic SA *	Medical Services	Suceava, Romania	35.7%	0%
89	Policlinica Sf. Ilie SRL *	Medical Services	Craiova, Romania	100%	0%
90	Policlinica Union SRL*	Medical Services	Cluj, Romania	51%	0%
91	Brol Medical Center S.A.*	Medical Services	Timisoara, Romania	56%	0%

*\*These companies are subsidiaries of other subsidiaries in the Group and are included in the consolidation, as they are controlled by the entities which are subsidiaries of the ultimate parent.*

*\*\*These companies have changed their legal form from S.A. to S.R.L.*

Since January 2024, Ghencea Medical Center SA, Clinica Life-Med SRL, Laborator Maricor SRL, Polyclinica SF. Ilie SRL, Diamed Center SRL and Centrul Medical Matei Basarab SRL were absorbed by Anima Specialty Medical Services SRL; Accipiens SA, Transilvania Imagistica SA, Bactro SRL and Triamed SRL were absorbed by Genesys Medical Clinic SRL; Biofarm Farmec SRL, CED Pharma SRL, Leti Pharm 2000 SRL and Monix Pharm SRL were absorbed by Pharmalife-Med SRL.

#### **Long-term loans granted to other Group companies**

As of December 31, 2023, the Company presents long-term loans granted to Bahtco Invest SA and Medlife Occupational SRL.

#### **Other financial assets**

Other financial assets represent mainly rent deposits with a maturity longer than one year.

#### **5. INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT**

	<b>December 31 2023</b>	<b>December 31 2022</b>
Gross book value	646,409,561	594,522,691
Accumulated depreciation	(270,700,594)	(237,041,132)
<b>Net book value</b>	<b>375,708,967</b>	<b>357,481,559</b>

#### **6. INVENTORIES**

	<b>December 31 2023</b>	<b>December 31 2022</b>
Consumables	14,015,439	12,174,959
Materials in the form of inventory items	365,961	337,718
Inventory in transit	619	920
<b>TOTAL</b>	<b>14,382,019</b>	<b>12,513,597</b>

## 7. TRADE RECEIVABLES

	<b>December 31 2023</b>	<b>December 31 2022</b>
Customers	115,464,039	93,838,389
Advances to suppliers	-	-
Allowance for bad debt	(28,262,015)	(27,312,408)
<b>TOTAL</b>	<b>87,202,024</b>	<b>66,525,981</b>

Credit risk for MedLife primarily relates to trade receivables in the ordinary course of business. Customers' compliance with agreed credit terms is monitored regularly and closely. Where payments are delayed by customers, steps are taken to restrict access to services or contracts are terminated.

Certain customers, which are public or quasi-public institutions, or subsidiaries of MedLife, may have longer payment terms and services may continue to be delivered when amounts are overdue, based on management's assessment of a lower credit risk.

The average receivable period for the services offered is 95 days. There is no interest on commercial receivables within the first 95 days from the date of issue of the invoice, which also represents the average contractual term.

The carrying amount of financial assets, measured at amortised cost, represents the maximum credit exposure. There are no credit enhancements or collateral held that would offset such amounts. As the customer base of the Company is very diverse, there are generally no large concentrations of credit risk.

## 8. CASH AND CASH EQUIVALENTS

	<b>December 31 2023</b>	<b>December 31 2022</b>
Cash in bank	8,994,241	14,149,971
Cash in hand	483,812	556,456
Cash equivalents	723,467	435,004
<b>TOTAL</b>	<b>10,201,520</b>	<b>15,141,431</b>

## 9. PREPAYMENTS

As of December 31, 2023 the Company has prepayments in amount of RON 2,469,788 (RON 2,674,932 as of December 31, 2022). The prepayments balance as of December 31, 2023 consists mainly of deferred commissions for financing related to the Club loan for undrawn facilities and amounts such as insurance policies for professionals and tangible assets.

## 10. TRADE AND OTHER PAYABLE

	<b>December 31 2023</b>	<b>December 31 2022</b>
Suppliers	134,995,013	105,588,173
Fixed assets suppliers	22,780,305	14,431,608
Contract liability	2,477,844	2,485,458
<b>TOTAL</b>	<b>160,253,162</b>	<b>122,505,239</b>

## 11. OTHER LIABILITIES

	<b>December 31 2023</b>	<b>December 31 2022</b>
Salary and related liabilities (incl. contributions)	12,554,716	13,672,405
Other liabilities	5,380,378	4,004,618
<b>TOTAL</b>	<b>17,935,094</b>	<b>17,677,023</b>

## 12. LEASES

	<b>December 31 2023</b>	<b>December 31 2022</b>
Non-current portion of lease liability	27,433,471	50,184,177
Current portion of lease liability	24,518,759	26,229,711
<b>TOTAL</b>	<b>51,952,230</b>	<b>76,413,888</b>

## 13. FINANCIAL DEBT

	<b>December 31 2023</b>	<b>December 31 2022</b>
Current portion of interest-bearing loans and borrowings	45,220,583	31,933,045
Non-current portion of interest-bearing loans and borrowings	595,019,517	508,264,032
<b>TOTAL</b>	<b>640,240,100</b>	<b>540,197,077</b>

As at December 31, 2023, the Company's drawn and undrawn financing facilities also included the following:

- a guaranteed overdraft facility between Garanti Bank S.A. and Med Life S.A., the amount drawn on December 31, 2023, is of RON 9,949,200;

The closing balance of the syndicated loan is 635,141,580 RON as of December 31<sup>st</sup>, 2023.

The interest rate for each loan for each interest period is the rate per year that is the sum of the applicable margin and depending on the currency of each loan, EURIBOR 6M for the amounts in EUR or ROBOR 6M for the amounts in RON.

## 14. SHARE CAPITAL AND SHARE PREMIUM

The issued share capital in nominal terms consists of 531,481,968 ordinary shares as at December 31, 2023 (31 December 2022: 132,870,492) with a nominal value of RON 0.25 per share. The holders of ordinary shares are entitled to one vote per share in the shareholders' meetings of the Company, except for the treasury shares bought back by the Company as part of the share buy-back program. All shares rank equally and confer equal rights to the net assets of the Company, except for treasury shares.

In accordance with the Decision of the Extraordinary General Meeting of Shareholders of the Company dated 3 August 2023, the share capital of the Company was increased with the amount of RON 99,652,869, from RON 33,217,623 to RON 132,870,492, by issuance of a number of 398,611,476 new shares with a nominal value of RON 0.25 per share.

The Share Capital Increase was carried out through the incorporation of share premiums and reserves (with the exception of the legal reserves), and the newly issued shares were allocated free of charge to the Company's shareholders registered in the register of shareholders kept by Depozitarul Central - S.A. as of 04.09.2023, established as record date ("Record Date").

The effects of the share capital increase were processed on 5 September 2023 and the newly issued shares were allocated to shareholders.

The total number of issued ordinary shares of the Company after the share capital increase was 531,481,968.

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Share capital	132,870,492	33,217,623
Share premium	(308,156)	50,594,933
<b>TOTAL</b>	<b>132,562,336</b>	<b>83,812,556</b>

	<b>Number of shares</b>	<b>%</b>	<b>Value</b>
Legal entities	289,227,475	54.42%	72,306,869
Marcu Mihail	78,484,828	14.77%	19,621,207
Cristescu Mihaela Gabriela	74,642,760	14.04%	18,660,690
Marcu Nicolae	55,341,600	10.41%	13,835,400
Others	33,785,305	6.36%	8,446,326
<b>TOTAL</b>	<b>531,481,968</b>	<b>100.00%</b>	<b>132,870,492</b>

## 15. RESERVES

The structure of the Company's reserves is presented below:

	<b>December 31 2023</b>	<b>December 31 2022</b>
General reserves	6,643,525	6,643,525
Other reserves	27,895,073	27,895,072
Revaluation reserves	106,464,509	106,464,509
<b>TOTAL</b>	<b>141,003,107</b>	<b>141,003,106</b>

## 16. REVENUE FROM CONTRACTS WITH CUSTOMERS

Turnover for the 12 months period ended December 31, 2023 was RON 636,435,030 (12 months ended December 31, 2022: RON 586,566,266) and consists of medical services, including revenues from prevention packages of corporate customers and fees for services rendered within Med Life's medical units within Romania. The Company's revenues are generated in Romania.

## 17. OTHER OPERATING REVENUES

	<b>12 months 2023</b>	<b>12 months 2022</b>
Other operating revenues	15,354,939	3,214,454
Capitalized cost of intangible assets	-	3,612,057
<b>TOTAL</b>	<b>15,354,939</b>	<b>6,826,511</b>

As of December 31, 2023, the company has reclassified the capitalised cost of intangible assets to salary and related expenses account.

## 18. OTHER INCOME FROM DIVIDENDS

As of December 31, 2023 the Company has other income from dividends in amount of RON 24,503,878 (RON 0 as of December 31, 2022). Other income from dividends line refers to dividends received from the following subsidiaries: Centrul Medical Micromedica S.R.L., Ghencea Medical Center S.A., Spital Lotus S.R.L., Prima Medical S.R.L., Centrul Medical Panduri S.R.L.

## 19. OPERATING EXPENSES

	<b>12 months 2023</b>	<b>12 months 2022</b>
Consumable materials and repair materials	88,422,209	81,748,854
Commodities	-	-
Utilities	9,039,038	8,918,081
Repairs maintenance	5,205,379	5,424,966
Rent	4,243,650	3,711,677
Insurance premiums	2,392,115	2,655,158
Promotion expense	13,636,147	11,240,283
Communications	2,313,600	2,193,123
Third party expenses (including doctor's agreements)	235,985,768	205,746,479
Salary and related expenses	184,464,871	173,443,751
Social contributions	7,097,321	6,090,747
Depreciation	62,167,805	57,865,833
Impairment of fixed assets	-	-
Impairment losses and gains (including reversals of impairment losses)	949,607	889,139
Other administration and operating expenses	14,620,482	9,976,423
<b>TOTAL</b>	<b>630,537,992</b>	<b>569,904,514</b>

## 20. FINANCIAL NET RESULT

	<b>12 months 2023</b>	<b>12 months 2022</b>
Loss from foreign exchange rate impact	(4,454,829)	(2,752,063)
Finance cost	(37,518,420)	(17,076,816)
Bank commissions	(2,094,219)	(4,778,481)
Interest income	12,904,228	6,922,660
<b>FINANCIAL NET LOSS</b>	<b>(31,163,240)</b>	<b>(17,684,700)</b>

## **21. FINANCIAL ANALYSIS**

### **Analysis of the Profit and Loss Statement**

Sales for the 12-month period ended on December 31, 2023 amounted to 636,435,030 RON, an increase of 8,5% compared to sales recorded in 12-month period ended on December 31, 2022. The variation in sales is due to the price increase carried out at the end of 2022 and also to increase in volumes.

Other operating revenues showed a growth of 124,9% for the 12-month period ended on December 31, 2023 compared to the same period of 2022, reaching 15,354,939 RON as of December 31, 2023 due to sale of Stomatology unit to Dent Estet Clinic SA, subsidiary of Med Life S.A, as well as the sale of the investment in Sibiu's medical clinic to Clinica Polisano SRL.

Other income from dividends amounts RON 24,503,878 (RON 0 as of December 31, 2022). Other income from dividends line refers to dividends received from the following subsidiaries: Centrul Medical Micromedica S.R.L., Ghencea Medical Center S.A., Spital Lotus S.R.L., Prima Medical S.R.L., Centrul Medical Panduri S.R.L.

Operating expenses include fixed and variable costs, as well as the cost of goods sold and materials used in providing medical services. Med Life S.A. recorded operating expenses of 630,537,992 RON for the 12-month period ended on December 31, 2023, representing a 10,6% increase or 60,633,477 RON, compared to the same period of year 2022. The most significant variation is due to the rise in third-party expenses, amounting to 30,239,289 RON. These expenses pertain to services provided by collaborating doctors, services offered by entities within the group, etc.

Operating profit experienced an increase of 94,8% in 2023 compared to year 2022, increasing from 23,488,263 RON in 2022 to 45,755,855 RON in 2023.

Financial loss increased in 2023 by 13,478,540 RON, increasing from 17,684,700 RON in 2022 to 31,163,240 RON in 2023. This increase was primarily driven by the financing cost, considering the expansion of the approved additional credit limit in December 2022 and the movement in interest rates.

The net result increased by 10,985,622 RON in 2023, changing from a profit of 3,606,994 RON in 2022 to a profit of 14,592,616 RON in 2023.

### **Analysis of Balance Sheet Accounts**

Total non-current assets amounted to 926,399,691 RON as of December 31, 2023, marking a 9,9% increase compared to December 31, 2022. This variation is due to the growth of other financial assets, reflecting the new investment in acquired companies.

Current assets amounted to 308,508,589 RON as of December 31, 2023, marking a 11,3% increase compared to December 31, 2022.

Current liabilities (excluding interest-bearing liabilities) increased by 34,339,206 RON, or 21,83%, from 157,275,698 RON as of December 31, 2022 to 191,614,904 RON as of December 31, 2023. This increase is mainly influenced by the rise in trade payables.

Interest-bearing liabilities increased by 75,635,765 RON, rising from 626,505,765 RON as of December 31, 2023, to 702,141,530 RON as of December 31, 2023. This growth is due to the loan withdrawals made to finance company acquisitions and investments in medical equipment.

**22. MAIN FINANCIAL RATIOS PERIOD ENDED AT DECEMBER 31, 2023**

		<b>Period ended at</b> <b>December 31, 2023</b>
<b><u>Current ratio</u></b>		
Current assets	308,508,589	= 1.14
Current liabilities	271,303,446	
<b><u>Debt to equity ratio</u></b>		
Long Term Debt	622,452,988	= 193%
Equity	322,099,073	
Long Term Debt	622,452,988	= 66%
Capital Assets	944,552,061	
<b><u>Trade receivables turnover (days)</u></b>		
Average receivables	33,262,991	= 18.82
Sales	636,435,030	
<b><u>Fixed assets turnover</u></b>		
Sales	636,435,030	= 0.69
Net Fixed Assets	926,399,691	

**23. EBITDA EVOLUTION**

	<b>Period ended</b> <b>Dec 31,</b> <b>2023</b>	<b>Period ended</b> <b>Dec 31,</b> <b>2022</b>	<b>Variation</b> <b>2023/2022</b>
Revenue from contracts with customers	636,435,030	586,566,266	8.5%
Other operating revenues	15,354,939	6,826,511	124.9%
Other income from dividends	24,503,878	0	0.0%
<b>Operating Income</b>	<b>676,293,847</b>	<b>593,392,777</b>	<b>14.0%</b>
<b>Operating expenses</b>	<b>(630,537,992)</b>	<b>(569,904,514)</b>	<b>10.6%</b>
<b>Operating Profit</b>	<b>45,755,855</b>	<b>23,488,263</b>	<b>94.8%</b>
<b>EBITDA</b>	<b>107,923,660</b>	<b>81,354,096</b>	<b>32.7%</b>
Finance cost	(39,612,639)	(21,855,297)	81.2%
Other financial expenses	(4,454,829)	(2,752,063)	61.9%
Finance income - interest revenue	12,904,228	6,922,660	86.4%
<b>Financial result</b>	<b>(31,163,240)</b>	<b>(17,684,700)</b>	<b>76.2%</b>
<b>Result Before Taxes</b>	<b>14,592,616</b>	<b>5,803,563</b>	<b>151.4%</b>
Income tax expense	-	(2,196,569)	-100.0%
<b>Net Result</b>	<b>14,592,616</b>	<b>3,606,994</b>	<b>304.6%</b>

## 24. IMPORTANT EVENTS

### Acquisitions

#### *Completion of the acquisition of Nord Group (formerly Provita)*

On 30 March 2023, MedLife announced the completion of the acquisition of a 51% stake in Nord Group (formerly Provita) after receiving approval from the Competition Council. The announcement comes five months after the new partnership was finalized.

In its 11 years of activity in the private medical services market, Nord Group has been particularly successful in Bucharest, where it is present through a multidisciplinary hospital, 5 clinics, two state-of-the-art imaging centers, a laboratory for processing a wide range of medical analyses and tests, as well as the only pain therapy training center in Central and Eastern Europe. At the end of last year, Nord Group expanded outside of the capital by opening a multidisciplinary clinic in Suceava worth 2,5 million euros, which houses an integrated Pain Therapy Center and Breast Center. By the end of November, Nord Group will launch a new private medical hospital in Bucharest.

### Corporate events

#### *Convening of Annual GMS*

On 24 March 2023 was published the Convening Notice for the Annual General Meeting of Shareholders (OGMS) scheduled for 27/28 April 2023. The following items were mainly submitted for approval to MedLife shareholders:

- The audited annual financial statements for the year 2022, at both individual and consolidated levels
- Discharge of liability of the Board of Directors' members
- Budget of revenues and expenses for the year 2023, at both individual and consolidated levels
- Extension of the financial auditor's mandate for a period of 2 years
- Remuneration Report, subject to the consultative vote of shareholders
- Company Remuneration Policy

The items on the agenda were fully approved during the OGMS on 27 April 27 2023.

#### *Conducting the Extraordinary General Meeting of Shareholders*

On July 3, 2023, the Extraordinary General Meeting of Shareholders for 3<sup>rd</sup>/4<sup>th</sup> August, 2023 was published. Mainly, the following were submitted to the approval of MedLife shareholders:

- Increasing the social capital
- Amendment of the Company's Articles of Incorporation as a result of the Share Capital Increase
- Other items on the agenda

The items on the agenda were fully approved during the AGEA meeting on August 3, 2023.

#### *22 December 2023 General Extraordinary Shareholders Meeting*

On 24 November 2023 was published the Convening Notice for the General Extraordinary Shareholders Meeting scheduled for 22/23 December 2023. The main item submitted for shareholders' approval was the increase of the syndicated credit line of EUR 50 million.

The items on the agenda were all approved during the 22 December 2023 EGSM.

## 25. IMPORTANT SUBSEQUENT EVENTS

There were no other significant events after December 31, 2023.

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**Mihail Marcu,**  
CEO

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**Alina Irinoiu,**  
CFO

### **Declaration of management of Med Life SA**

We confirm to the best of our knowledge that the Unaudited Separate Financial Statements of Med Life SA (the Company) for the 12-month period ended December 31, 2023, which were prepared in accordance with the Order of the Minister of Public Finance no. 2844/2016, approving the accounting regulations compliant with the International Financial Reporting Standards, with all subsequent modifications and clarifications, give a true and fair view of the financial position of the Company as at December 31, 2023, and of its financial performance and its cash flows for the period then ended.

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**Mihail Marcu,**  
CEO

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**Alina Irinoiu,**  
CFO