

**EȘTI**  
**BINELE**  
**PE CARE ÎL CAUȚI**



**2024 Annual  
Report**



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## MESSAGE FROM THE CEO

**Dear partners,**

*2024 was a defining year for MedLife Group, a year in which we managed to surpass the EUR 500 million turnover threshold, with a significant increase of 25% compared to 2023, being also the first private healthcare company in Romania to reach this milestone. The Group's pro-forma consolidated turnover reached RON 2.76 billion (approximately EUR 555 million), a performance that reflects both solid financial results, but also our commitment to providing high-quality services for patients. These achievements are the result of the work of the entire MedLife team, which, through dedication and professionalism, contributes to the success and continuous development of the Group.*

*During 2024, we managed to achieve these remarkable results even in a global economic context characterized by major uncertainties and challenges. Romania's economic growth has slowed significantly, and the geopolitical context has generated instability and pressures on the markets. In the face of these challenges, we have adopted a prudent and strategic approach, considering not only the need to maintain sustainable growth, but also to ensure long-term financial stability. Thus, despite a difficult economic environment, we have managed to improve our debt ratio and are gradually regaining our margins, which gives us confidence for the future.*

*We also continued to invest in our medical infrastructure in 2024, especially in the areas of genetics, precision imaging and mental health. In this regard, we inaugurated three new hospitals in Bucharest, Craiova and Timisoara, strengthening our position in providing quality hospital services. In parallel, we have integrated new technologies, including Artificial Intelligence in the MedLife application for interpreting laboratory results, in conjunction with clinical investigation results, and we have expanded our network of medical equipment, becoming a leader in the field of high-performance imaging, with 40 MRIs and 30 CTs, respectively 80 other equipment such as X-rays, mammograms or osteodensitometry, distributed nationwide. These investments allow us to provide faster, more accurate and more efficient health services for our patients.*

*At the same time, we have not forgotten our responsibility to the community. In 2024, we continued to invest in projects and programs with real impact in the lives of different social categories nationwide. We have also actively contributed to the development of a healthier Romania, expanding our network of mental health and fitness facilities, essential aspects for the well-being of the entire society, which contribute to meeting the desire of Romanians to move towards a 360° approach to health. These initiatives are part of our long-term vision to address all the health needs of Romanians, actively contributing to the creation of an accessible and equitable health system.*

*Looking towards 2025, we are aware that we will continue to operate in a challenging economic environment, with many global and local uncertainties. However, we are prepared to face these challenges and adapt quickly to new realities. We approach the future with a clear strategy and a well-defined plan, so we intend to continue investing in organic development, expanding our network of hyperclinics, including by opening new radiotherapy centers and units dedicated to mental health. At the same time, we will place a special emphasis on the wellness and prevention segment, launching new services that will support Romanians in adopting a healthy lifestyle and preventing serious conditions.*

*Regarding the corporate segment, we will continue to develop innovative solutions that meet the needs of employers and contribute to maintaining a healthy and performing work environment. We will also continue to invest in technology and patient education, to facilitate their access to high-quality medical information and services.*



*2025 will be a year of consolidation and adaptation to new market challenges. We will remain focused on our development objectives, continuing to invest in innovation and expanding our service network. We are confident that, through the strategic investments we will make, MedLife will continue to be a leader in the Romanian private healthcare market and a trusted partner of Romanians on their path to a healthier life.*

*Thank you for the trust you place in us!*



*MIHAIL MARCU*

*Chairman of the Board  
of Directors and CEO of  
MedLife Group*

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## MEDLIFE GROUP IN FIGURES

### Consolidated Statement of Financial Position

	31 December	
	2024	2023
Non-Current Assets	2,357,408,397	2,102,828,820
Current Assets	658,905,448	533,508,611
<b>TOTAL ASSETS</b>	<b>3,016,313,845</b>	<b>2,636,337,431</b>
Non-Current Liabilities	1,535,444,775	1,442,471,375
Current Liabilities	976,224,339	699,674,033
<b>TOTAL LIABILITIES</b>	<b>2,511,669,114</b>	<b>2,142,145,408</b>
Equity attributable to owners of the Group	432,625,774	415,291,298
Non-controlling interests	72,018,957	78,900,725
<b>TOTAL EQUITY</b>	<b>504,644,731</b>	<b>494,192,023</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>3,016,313,845</b>	<b>2,636,337,431</b>

### Consolidated Statement of Profit and Loss

	12 months ended December 31,	
	2024	2023
Revenue from contracts with customers	2,715,574,711	2,210,435,349
Other operating income	8,850,263	11,300,635
<b>Operating Income</b>	<b>2,724,424,974</b>	<b>2,221,735,984</b>
<b>Operating Expenses</b>	<b>(2,584,016,603)</b>	<b>(2,130,218,620)</b>
<b>Operating Profit</b>	<b>140,408,371</b>	<b>91,517,364</b>
Finance cost	(102,630,990)	(82,170,695)
Interest income	2,175,920	3,423,077
Other financial income	462,070	1,221,841
Other financial expenses	(1,346,241)	(9,692,103)
<b>Financial result</b>	<b>(101,339,241)</b>	<b>(87,217,880)</b>
<b>Profit Before Tax</b>	<b>39,069,130</b>	<b>4,299,484</b>
Income tax expense	(22,316,702)	(8,464,341)
<b>Profit After Tax</b>	<b>16,752,428</b>	<b>(4,164,857)</b>

## Operational data

		12 months ended December 31,	
		2024	2023
<b>Clinics</b>	<b>Revenue</b>	<b>1,022,354,056</b>	<b>831,236,066</b>
	Visits	4,334,340	3,834,062
	Average fee	235.9	216.8
<b>Dentistry</b>	<b>Revenue</b>	<b>125,518,088</b>	<b>121,778,348</b>
	Visits	185,582	185,829
	Average fee	676.3	655.3
<b>Hospitals</b>	<b>Revenue</b>	<b>661,486,735</b>	<b>480,454,826</b>
	Patients	164,941	139,234
	Average fee	4,010.5	3,450.7
<b>Laboratories</b>	<b>Revenue</b>	<b>295,352,374</b>	<b>230,656,316</b>
	Tests	8,776,222	7,424,270
	Average fee	33.7	31.1
<b>Corporate</b>	<b>Revenue</b>	<b>296,968,035</b>	<b>259,493,546</b>
	PPM	872,014	873,036
	Average fee	340.6	297.2
<b>Pharmacies</b>	<b>Revenue</b>	<b>69,239,459</b>	<b>60,709,968</b>
	Visits	478,055	468,896
	Average fee	144.8	129.5
<b>Others</b>	<b>Revenue</b>	<b>244,655,964</b>	<b>226,106,278</b>



# ADMINISTRATORS' REPORT 2024

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## SIGNIFICANT EVENTS

2024 was one of consolidation and expansion for the MedLife Group, marked by a complex strategy that combined growth through acquisitions, organic development, expansion of stakes in existing subsidiaries and merger processes aimed at optimizing the Group's operations.

Regarding acquisitions, MedLife completed several strategic transactions, expanding its presence in key regions and diversifying its service portfolio. These acquisitions strengthened the Group's ability to provide integrated medical services and consolidated its leading position in the private healthcare market in Romania.

In parallel with the expansion through acquisitions, the Group accelerated organic development, inaugurating three new hospital units and continuing investments in state-of-the-art medical infrastructure. This direction aimed to increase the accessibility of services for patients and improve their experience through modern technologies and equipment.

Also, in 2024 MedLife consolidated its presence in certain subsidiaries of the Group by increasing its stakes. This move allowed for a more efficient integration of operations and optimization of synergies between the units within the Group, contributing to better coordination and operational efficiency.

In addition, MedLife continued the process of merging some companies in its portfolio, an approach that began in previous years and will continue in the future. These mergers aimed to streamline processes, reduce redundancies and maximize the impact of investments in infrastructure and medical services.

Through this integrated strategic approach, MedLife reaffirms its commitment to remain an innovative leader in the private healthcare sector, continuing to invest in sustainable development and adapting to the constantly changing needs of patients and the market.

### Acquisitions

#### **Centrul Medical Provita 2000 (through Sfanta Maria Group)**

In January 2024, MedLife, through the Sfanta Maria network, acquired the Provita 2000 Medical Center in Constanta. Established in 1992, Provita 2000 Medical Center quickly became one of the traditional medical centers for the people of Constanta, offering its clients a wide range of medical services.

#### **Personal Genetics**

In April 2024, MedLife announced the acquisition of Personal Genetics, a national human medical genetics center established in 2011, thus becoming the operator with the greatest expertise in the field of genetic sequencing and molecular biology, as well as one of the largest networks of laboratories and collection centers nationwide. Personal Genetics, through its extensive network of 18 centers throughout the country and multiple international certifications, offers advanced genetic diagnostic services for a wide range of conditions, in oncology, onco-hematology, gynecology and rare diseases, being actively engaged in the development and application of new methods to improve the quality of life of patients.

#### **Clinica Medvarix (through Medici's)**

In May 2024, MedLife, through the Medici's network, took over the Medvarix Clinic in Timisoara, a center of excellence specialized in the treatment of varicose veins and hemorrhoids. In addition to these main areas, the clinic offers services in plastic and aesthetic surgery, general

and minor surgery, dermatology, ultrasound, as well as obesity consultations.

#### **Antares Clinic Group (through Micromedica)**

In July 2024, MedLife, through Micromedica Medical Center, announced the signing of the acquisition of the full package of Antares Clinical Group, one of the most important private healthcare providers in Moldova. The group offers patients a wide range of investigations, from multidisciplinary consultations for over 25 medical specialties and laboratory services, to complex imaging investigations and owns 3 large outpatient units in Piatra Neamt, Botosani and Onesti, as well as 2 laboratories in Piatra Neamt and Botosani. The transaction was completed in September 2024.

#### **Euromedica Group (through Polisoano)**

In September 2024, MedLife, through Polisoano, announced the acquisition of 80% of the Euromedica Baia Mare Group (Euromedic Hospital and Euromedic Administrator). The Euromedica Baia Mare Group owns a medium-sized hospital with multidisciplinary services, an outpatient clinic, a laboratory and an imaging department and has a team of over 40 employed and collaborating doctors. The hospital is equipped with 50 beds and two operating rooms, while the outpatient area has 14 medical specialties and an imaging department.

### VP-Med (through Genesys Group)

In September 2024, MedLife, through the Genesys Group in Arad, acquired VP-MED Health and Education Centre in Hungary, which mainly offers modern varicose vein surgical procedures, such as laser surgery and radiofrequency surgery, as well as interventions that do not require anesthesia.

### Routine Med

In October 2024, MedLife announced the acquisition of a 60% majority stake in the Routine

Med group in Tulcea. The Routine Med group owns a hospital unit equipped with an operating room, day and continuous hospitalization compartment, as well as an outpatient clinic and offers over 20 medical and surgical specialties, including dentistry and medical optics. Hospital and outpatient services are complemented by laboratory and medical imaging services. Through this acquisition, MedLife expands its national footprint in southeastern Romania. **The transaction was finalized in January 2025.**

## Organic growth

### MedLife Craiova Hospital

In November 2024, MedLife inaugurated in Craiova, the first multidisciplinary hospital in the Oltenia region, an investment of almost 6 million Euros. The hospital, with an area of 3,400 sq m and equipped with high-performance imaging and medical analysis laboratories, as well as a digital operating block that includes two operating rooms, one of which integrates the collaboratOR digital system - an advanced technology that optimizes surgical interventions and allows connection with virtual participants in real time, and an emergency room, offers patients from the southwest of the country an integrated circuit of medical services, access to a solid team of doctors covering a wide range of specializations, as well as state-of-the-art technology, both for diagnosis and treatment.

### Medici's Timisoara Hospital

In December 2024, MedLife announced the opening of Medici's Hospital in Timisoara, a multidisciplinary unit that brings private medicine to a new level of performance. With an investment of over 25 million Euros, this hospital redefines the standards in medical care, positioning Timisoara among the reference centers for health in Central and Eastern Europe. The hospital occupies an area of 6,200 sq m and is equipped with 120 beds, of which 15 are dedicated to Intensive Care. It also has 10 operating rooms, five of which are part of an ultra-modern operating block equipped with "cleanrooms" system, two are intended for day surgery, one is allocated for cesarean operations, and two others are specialized for childbirth.



## Mergers

Several mergers by absorption were completed during 2024. Thus, starting with January (the month of taking over balances):

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

## Corporate events

### 29 April 2024 GSM

On March 27, 2024, the Notice of the Annual General Meeting of Shareholders (AGOA) scheduled for April 29, 2024 was published. The main points submitted to the approval of MedLife shareholders were:

- Audited annual financial statements for 2023, both at individual and consolidated levels;
- Discharge of the members of the Board of Directors;
- The revenue and expenditure budget for 2024, both at the individual and consolidated levels;
- Remuneration report, subject to the advisory vote of shareholders.

All items on the agenda were approved at the OGMS of April 29, 2024.

### 10 October 2024 GSM

On September 6, 2024, the Notice of the Ordinary General Meeting of Shareholders (AGOA) scheduled for October 10, 2024 was published. The main points submitted to the approval of MedLife shareholders were:

- Approval of the revocation of the mandate of the financial auditor (Ernst & Young SRL) of the Company;

## The Company's New Executive Committee

The Board of Directors of the Company decided to extend the mandates of the following members of the Executive Committee, starting with October 21, 2024, until October 20, 2028:

- Mr. Mihail Marcu as General Manager and Member of the Executive Committee;
- Mr. Nicolae Marcu as Director of Health and Operations and Member of the Executive Committee;
- Mr. Dorin Preda as Deputy General Manager and Member of the Executive Committee;
- Ms. Oana-Alina Irinoiu, as Chief Financial Officer and Member of the Executive Committee.

The decision comes as a result of the expiration of the terms of office of the members of the Company's Executive Committee on October 21, 2024. Thus, the new Executive Committee is reduced from 10 to 5 members, with 4 appointed members and one position remaining vacant.

and starting with December 2024:

- Medicris SRL was absorbed by Genesys Medical Clinic SRL;
- Dentist 4 Kids SRL was absorbed by the company Dent Estet Clinic SA.

## Consolidation of holdings

During 2024, several acquisitions of additional packages took place in the Group's subsidiaries:

- Pro Life Clinics SRL - acquisition of an additional 18% stake in the company's shares;
- M-Profilaxis SRL - the acquisition of an additional 20% stake in the company's shares;
- Sanopass SA - acquisition of an additional 37% stake in the company's shares.

- Approval of the appointment of a new financial auditor of the Company, Deloitte Audit SRL, for the audit of the financial statements for the year 2024 (01.01.2024 – 31.12.2024) and the year 2025 (01.01.2025 – 31.12.2025);
- Approval of the amended remuneration policy.

All items on the agenda were approved at the OGMS of October 10, 2024.

### 21 November 2024 GSM

On October 21, 2024, the Notice of the Ordinary General Meeting and the Extraordinary General Meeting of Shareholders (OGM and EGMS) scheduled for November 21, 2024 was published. The main points submitted to the approval of MedLife shareholders were:

- Election of the members of the Board of Directors of the Company, for a 4-year term starting on 22.12.2024;
- Authorization of the acquisition by the Company, directly or through a person acting in his own name, but on behalf of the Company, of a maximum number of 9,820,380 of its own shares, for a maximum period of 18 months from the date of publication of the decision in the Official Gazette of Romania.

All items on the agenda were approved at the OGMS and EGMS of November 21, 2024.

## The Company's New Board of Directors

Following the votes cast by the Company's shareholders at the OGMS on November 21, 2024, the new Board of Directors of MedLife, whose 4-year mandate began on December 22, 2024, is composed of:

- Mr. Mihail Marcu, Executive Member and Chairman of the Board of Directors;
- Mr. Nicolae Marcu, Executive Member;
- Mr. Dorin Preda, Executive Member;
- Mr. Dimitrie Pelinescu-Onciul, Member;
- Ms. Ana Maria Mihăescu, Independent Member;
- Mr. Voicu Cheța, Independent Member;
- Mr. Ovidiu Fer, Independent Member.

## MEDLIFE GROUP COMMITMENT

MedLife is a group of companies dedicated to providing medical services at the highest standards, providing each patient with top medical expertise, state-of-the-art technology and optimal safety and comfort conditions.

Our constant evolution has been guided by the desire to respond to the most complex and demanding needs in the medical field. Health is both our profession and our passion, and our mission is to improve the quality of life of each patient who crosses our threshold. Easy access to our services is ensured through an integrated system that includes medical subscriptions, outpatient clinics, hospitals, analysis laboratories, pharmacies, pharmaceutical distribution, imaging, dentistry, stem cell bank and fitness centers.

With over 30 years of experience in the private medical services market in Romania (including the companies consolidated within the Group), we are committed to providing excellent services through the professionalism of our team, through care and responsibility, as well as through the use of the most modern equipment and facilities, made available daily to our patients.

## Strategic objectives and directions

MedLife's strategy is focused on **consolidating the network at national level**, with a particular focus on medical excellence and continuous improvement of patient satisfaction. The Group aims to expand its portfolio of facilities and services, ensuring efficient and sustainable national coverage, thus responding to the needs of existing patients and new clients.

MedLife is constantly looking for new opportunities to increase revenue and create synergies between its facilities and services, thus maximizing operational efficiency and available resources. These synergies are achieved through the optimal integration of new facilities and by streamlining internal processes, with the aim of providing patients with a faster, more accessible and higher quality medical service.

The Group will continue to pursue this expansion direction both through organic growth and through the acquisition of smaller private healthcare providers, operating on the local Romanian market and on international markets. Strategic acquisitions will support the Group's development, helping it capture new market segments and enrich the available service offer.

MedLife places particular emphasis on the development and implementation of **ultra-modern technologies** to support medical excellence and continuously improve the patient experience. The Group is dedicated to healthcare innovation, constantly investing in advanced technologies and digital solutions that ensure top-notch medical services and an increased integration of all processes in the healthcare system. These technologies include state-of-the-art medical equipment for diagnostics, imaging and treatments, as well as digital platforms that facilitate patients' access to information, appointments and medical history.

In addition, the Group's strategy envisages continued investments in **innovative** monitoring and diagnostic **solutions**, both on-site and remotely, to ensure continuous, personalized and integrated medical care. The Group promotes the use of artificial intelligence (AI) in the diagnostic process, contributing to faster and more accurate diagnosis. These advanced technologies are integrated into a connected health system, which offers complex and complete medical services, from prevention, diagnosis and treatment, to recovery and post-treatment monitoring.

MedLife's strategy is focused on integrating cutting-edge technology, developing innovative and personalized medical services and ensuring an excellent patient experience. The Group is committed to continuously improving the quality of life of patients by providing them with an integrated and efficient healthcare system, where risks are minimized and opportunities are capitalized on to create a sustainable and innovative healthcare system. The Group will continue to align its commercial objectives with high



standards of safety and medical ethics, taking into account both the interests of patients and the long-term development objectives of the Group.

## **Competitive strengths**

### **Leader in the private medical services sector in Romania**

MedLife stands out as a leader in the private healthcare market in Romania, with a significant presence and a solid reputation for providing high-quality healthcare services. This leadership position is due to its extensive experience and diversified portfolio of services, which meet the needs of patients in various areas of health, from prevention and diagnosis to complex treatments and recovery services.

### **Balanced and diversified business model**

MedLife Group adopts a well-balanced business model that includes all key business lines in the private healthcare sector, from hospitals, clinics and laboratories to pharmacies, imaging, dentistry, mental health centers of excellence and fitness centers. This diversified model allows the Group to respond to a wide range of patient needs and build an integrated healthcare service system that covers the entire spectrum of care.

### **Significant revenue capture opportunities**

MedLife has developed a business model that generates significant revenue growth opportunities through a combination of direct medical services and prevention packages. The Group's activities are also supported by an efficient structure that favors recurring revenues, which contributes to long-term financial stability.

### **Sales model focused on direct payment and corporate packages**

One of the Group's main advantages is its sales model, largely focused on direct payment for medical services provided and on prevention packages. This approach minimizes dependence on the funds of the National Health Insurance Houses (NHIH), giving the Group increased financial autonomy and greater flexibility in setting prices and providing medical services. In contrast, many private healthcare providers in Romania rely to a significant extent on contracts with NHIH to serve state-insured patients, which exposes them to fluctuations related to NHIH priorities, tariffs and allocation systems. In the case of the Group, only 32% of its revenues in 2024 come from treating patients insured through NHIH, which allows it to independently establish its policies and strategic directions.

### **Solid expertise in the field of medical prevention and prophylaxis packages**

MedLife is a key player in the provision of medical prevention and prophylaxis packages in Romania, significantly contributing to the promotion of

health through prevention and early detection of diseases. The Group's commitment to preventive medicine helps patients adopt a healthier lifestyle and reduce the risks associated with chronic diseases. Through these innovative solutions, MedLife supports the medical education of the population and contributes to the optimization of the health system's resources.

### **Experienced management, capable of supporting expansion through organic growth and acquisitions**

The Group's success in organic and acquisition development is largely due to a strong and experienced management team. MedLife has implemented effective systems for identifying and analyzing acquisition opportunities, making quick decisions and ensuring an optimized post-transaction integration.

The company has built a reputation as an "friendly acquirer" company, often offering the founders of acquired companies the opportunity to remain involved, either as minority shareholders or as managers of the subsidiaries. This strategy allows MedLife to retain their accumulated expertise and market knowledge, while integrating acquisitions into its own structures and maximizing the potential for revenue generation.

Through the share buyback and share exchange program with minority shareholders, the Group supports the alignment of interests and the involvement of founders in the integrated development strategy.

Between 2010 and the end of 2024, MedLife completed and integrated over 100 companies, strengthening its expertise and ability to continue expanding in an efficient and sustainable manner.

### **Robust financial situation**

The MedLife Group enjoys a strong financial position, supported by solid results and significant assets, which allow it to continuously invest in the development of its infrastructure and services. This financial stability provides the Group with the necessary flexibility to respond to market demands and implement new projects, both in the context of territorial expansion and service innovation.

### **Access to financing**

Thanks to a stable financial history and a solid reputation in the medical market, MedLife benefits from access to financing sources. This allows it to support expansion plans, including through strategic acquisitions, medical infrastructure development projects and the integration of new technologies.

These competitive strengths of the MedLife Group emphasize not only its success and strength in the local market, but also its ability to respond

quickly to changes in the medical field, integrating modern technologies and developing innovative solutions for patients.

## Development directions

### Strategy

MedLife Group builds its strategy on a vision of sustainable growth, with the main objective of consolidating its position as one of the most important private healthcare providers in Romania. This is based on continuous development, diversification of the service portfolio and strategic investments in infrastructure, technology and elite medical teams.

An essential pillar of MedLife's strategy is the expansion of the national network through a balance between organic growth and strategic acquisitions. The Group aims to improve its territorial coverage, thus responding to the needs of a growing number of patients. Also, the integration of new units into the Group's structure is done through an efficient process of operational optimization and synergies that maximize added value for patients and partners.

### Organic growth and continuous development

The Group's strategy aims to strengthen its presence in large cities, with over 150,000 inhabitants, through the MedLife brand, but also to expand into medium and small cities through the Sfanta Maria brand, given the large number of acquisitions in recent years. In this regard, we continue the plan to develop the essential business lines: clinics, laboratories, hospitals, dental centers and medical subscriptions.

The Group has opened a series of clinics and centers of excellence, as well as collection units for the laboratory business line. Many of these units have the capacity to serve a larger number of patients, which allows for an increase in revenues and their contribution to profit, as a higher utilization capacity is achieved.

At the same time, the Group continues to optimize the mix of services offered within its units according to the specific conditions of the local market, trying to improve the income and profit margin for each medical unit. A steady and accelerated development of these medical facilities will improve profit margins and generate further sales growth.

### Selective acquisitions and integration of market operators

MedLife intends to further expand its service offering and geographical coverage through strategic acquisitions. The acquisition strategy targets regional companies or entities that complement the Group's portfolio through geographic positioning, medical specialties or operational synergies. After the acquisitions are completed, the Group introduces new specialties and services or improves the standards of the acquired units in order to effectively integrate them into the MedLife ecosystem.

As part of its strategy, MedLife encourages the involvement of the founding shareholders of the acquired companies by offering opportunities to remain involved as minority shareholders and managers of the subsidiaries. This partnership model contributes to a more efficient integration of the acquired units and to increasing their value over time.

The Group's acquisition strategy is based on the full integration of the acquired units into the MedLife system, ensuring uniformity of services and streamlining support functions such as human resources management, finance, marketing, public relations and procurement. The Group capitalizes on the expertise accumulated through acquisitions completed from 2010 to the present, thus developing an efficient system for screening and integrating new partners.

### Innovation and digitalization

MedLife constantly invests in advanced technologies and digitalization to improve the patient experience and streamline the medical act. The digitalization of internal processes and the implementation of high-performance IT solutions contribute to increasing the accessibility and safety of the medical services provided.

In addition, the Group aims to develop medical centers equipped with state-of-the-art equipment and continues to invest in oncology, radiotherapy and medical research.

### Financial balance and sustainability

MedLife's financial model is built on revenue diversification, with a strong focus on medical prevention and prophylaxis packages, which ensure long-term stability and contribute to patient health education. In addition, the Group continues to optimize costs and invest efficiently to maintain a balance between growth, profitability and reinvestment in infrastructure and services.

## Social impact

The MedLife Group is guided by **fundamental values** that put patients and their health first, thus supporting an activity based on responsibility, professionalism, innovation and respect for each individual..

**Responsibility:** MedLife Group orients its actions according to the real needs of people, prioritizing their health and well-being.

**Professionalism:** With a team of over 5,000 physicians, professors, lecturers and doctors of medicine, MedLife ensures a high level of competence and dedication in every medical activity.

**Innovation:** MedLife Group promotes continuous innovation, constantly investing in advanced technologies and medical solutions that ensure efficient and high-quality treatments.

**Care and respect:** Each patient is treated with respect and care, with their needs always prioritized in a safe and empathetic medical environment.

Several technological advances have allowed medicine to evolve towards minimally invasive techniques, which expose patients to low risks and allow for a faster recovery period. In developed countries, it has been common practice for many years for patients to be able to go home without requiring overnight hospitalization. In 2005, MedLife was the first to introduce this concept on the Romanian market. The group thus created departments within hospitals, but also hyperclinics, where patients can benefit from minimally invasive techniques.

The MedLife concept "**Together We Make Romania Better**" began with the desire to bring good to Romania in as many forms as possible, not only in health, but also in the medical system. Thus, the MedLife Group has developed and supported a series of projects, events and ideas for the benefit of employees or medical professionals at the beginning of their journey. The Company has also constantly organized or participated in medical events at which doctors from the country and abroad had the opportunity to share knowledge, technologies or procedures.



## Hope Doesn't Die of Cancer

MedLife pays increased attention to the country's profile in terms of health and strives to act where it is most needed, adding a brick to the assumed commitment every day, which is to make Romania well. In the pediatric oncology segment, the statistics are worrying: every day, a child in Romania is diagnosed with cancer, entering the fight against a disease that can be defeated if it is detected in time and if a personalized treatment is applied, adapted to each patient. The average survival rate for children diagnosed with cancer in our country is 69.1%, 10% lower than the Western European average.

To support children diagnosed with cancer, MedLife has established the **#HopeDoesNotDieFromCancer** program, providing free access to one of the world's most complex sequencing tests for oncological

diseases. Based on the results of genetic tests, doctors can choose a personalized treatment, targeted therapy or immunotherapy for each child, which can increase the chances of cure or survival rate. Furthermore, it also depends on the involvement of the authorities so that the treatments needed by each patient are available in our country and accessible regardless of income.

**Over 300 sick children** benefited from the MedLife program in 2024. At the same time, three other world-class athletes – Mihai Leu, Beatrice Câșlaru, Lăcrămioara Perijoc – joined the MedLife initiative and donated their medals. Also in 2024, athletes David Popovici, Maria Olaru, Beatrice Câșlaru, Mihai Leu, Lăcrămioara Perijoc and Cătălina Ponor signed an open letter to the authorities calling for all children with cancer to be genetically tested within the free program developed by MedLife. The Company's communications on this topic reached an audience of approximately 3.7 million people, an impressive figure in terms of raising awareness of the need for genetic testing for children with cancer.

The social program **#SperanțaNuMoareDeCancer** will continue in 2025 as it can bring change not only at the system level, but especially at the patient level, offering hope in the lives of the most vulnerable among us.

### Involvement in cultural events

MedLife is actively involved in supporting and organizing cultural events, contributing to the development and promotion of cultural values in the communities it is part of. By organizing and participating in various events, the Company supports the general public's access to quality cultural activities. MedLife's involvement in this field reflects not only the Company's social responsibility, but also the desire to encourage cultural education and contribute to a more balanced social climate. Thus, MedLife extends its influence beyond the medical sphere, demonstrating a complex commitment to the good of the community.

In 2024, MedLife launched the series of events "Culture and Medicine: An Alchemy of Good", thus becoming a pioneer in transforming the hospital into a social hub. The first of these, the opening of the rare book exhibition "The Cantemir Effect in Romanian Culture", brought together opinion leaders from medicine and culture, including Theodor Paleologu. Over 4.4 million people learned about the exhibition.

### Perspectives

In a dynamic economic context, MedLife maintains its commitment to sustainable growth, focusing on operational optimization and consolidating its leading position in the private healthcare sector. Our strategy for the near future aims at both streamlining existing activities and exploring new development opportunities.

After an intense cycle of investments in organic growth projects, the main priority is to maximize their profitability, by improving profitability margins and optimizing operational flows. Also, regarding acquisitions, we adopt a balanced and prudent approach, carefully analyzing market dynamics and integrating opportunities that can bring strategic and financial value to the Company.

Through this strategy, MedLife aims to strengthen its presence in Romania and carefully analyze the possibilities of expansion on regional markets, with the objective of maintaining sustainable growth and adapting to the constantly changing needs of our patients and partners.

### Strategic priorities

To support our vision of providing medical services at the highest standards, we focus on several essential development directions:

Also in 2024, MedLife was one of the partners of the Music Gallery event, an interactive and immersive exhibition on the music industry and its history. The event took place at the Cluj-Napoca Art Museum and brought together approximately 3 thousand visitors.

### Backpack Donation Campaigns

As part of the "Together we color over 100 dreams" campaign, MedLife employees prepared and donated 122 schoolbags equipped with supplies for children facing serious illnesses or living in disadvantaged environments. Through the Marinuș Gălbenuș Association, MedLife thus supports their access to education and health.

### Pro bono cases

The Group's commitment remains to treat and help patients in need of interventions, regardless of their background or financial situation. Whether mild or serious, the Group's doctors handle cases brought by humanitarian foundations or cases identified by the Group's employees.



- **Completion of the second stage of development of MedLife Craiova Hospital** – This expansion will allow for an increase in hospitalization capacity and the diversification of the medical services offered, including the integration of new specializations and state-of-the-art equipment.
- **Expanding the Hyperclinics network by opening a unit in the central-southern area of Romania** – Through this initiative, we want to bring premium medical services closer to patients, reducing waiting times and improving accessibility to complex consultations and investigations.
- **Launching a new radiotherapy center in the northeast of the country** – In the context of a growing need for advanced oncology treatments, this center will allow patients access to cutting-edge technologies in cancer treatment, eliminating the need to travel long distances for such services.
- **Development of units dedicated to mental health and fitness, both in Bucharest and in other cities in the country** – At a time when mental health is becoming a global priority, we aim to offer integrated psychotherapy, counseling and recovery solutions, along with personalized fitness and wellness programs.
- **Strengthening the Corporate business line by introducing innovative products** – As companies increasingly focus on the health and well-being of their employees, we develop solutions that combine medical prevention with fitness and nutrition services, offering personalized packages that contribute to the productivity and well-being of teams.

Through these strategic directions, we aim not only to expand MedLife's medical infrastructure, but also to significantly improve the patient experience, through integrated services, easy access to cutting-edge technology and an approach focused on prevention and innovative treatments.

## Acquisitions

In an economic context marked by volatility and rapid transformation, MedLife maintains a balanced approach to its acquisition strategy. We remain open to new growth opportunities, both locally and regionally, with a particular focus on consolidating our position as a leader in Romania and carefully evaluating expansion opportunities in neighboring countries.

Our strategy for 2025 and beyond aims to identify partnerships and acquisitions that will bring significant added value, either by expanding our service portfolio or by integrating complementary technologies and expertise. In this regard, we focus on acquiring well-positioned medical facilities with a sustainable business model and capable of contributing to our long-term strategic objectives.

As the private healthcare market evolves, we will carefully evaluate each acquisition opportunity, ensuring that any decision made contributes to strengthening the MedLife brand, improving the patient experience and operational efficiency. We aim to be not only an active player in the market, but also an innovator that redefines standards in healthcare through well-founded mergers and strategic partnerships.

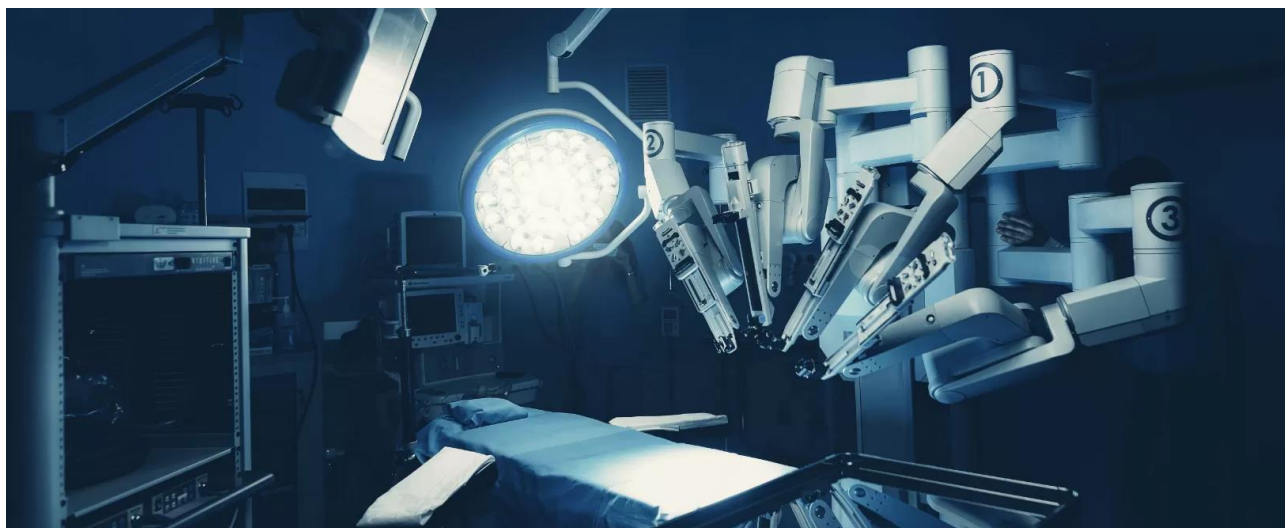
## Shaping the future of healthcare

In an era of rapid change and technological advancements, MedLife continues to focus on innovations that will shape the future of healthcare. We understand that the future of healthcare systems depends on the constant integration of the most advanced technologies and digital solutions, which can significantly improve service efficiency, quality of care and patient experience.

In this context, we will continue to allocate significant resources **to invest in cutting-edge technology and digital transformation**, aiming to be at the forefront of innovations in the field. We believe that the digitalization of medical processes is not just a trend, but a necessity to more effectively respond to patients' needs and facilitate rapid access to high-quality services.

In 2024, we took an important step in this direction by integrating **artificial intelligence (AI)** into our app for interpreting laboratory results. As we move towards 2025, we will intensify our commitments in the field of research and imaging technology. We intend to launch an **extensive imaging research program**, within which we will integrate our network of 40 MRIs and 30 CTs, thus providing extensive national coverage and increased early diagnostic capacity.

Through these investments, MedLife aims to actively contribute to the **digital revolution in healthcare**, providing patients with a more efficient, accessible and accurate medical system that combines technological innovations with leading medical expertise. In this way, we ensure that we are prepared for the future of healthcare, a future in which technology will play a key role in improving people's lives.



## Innovation and Technology

In an era where medical technology is rapidly evolving, MedLife remains at the forefront of innovation through strategic investments in state-of-the-art equipment and the modernization of its medical infrastructure. The year 2024 was marked by a series of significant advances, from the expansion of robotic surgery and the development of new multidisciplinary hospitals, to the implementation of digital solutions and emerging technologies aimed at improving the quality of medical care and the patient experience. These initiatives reflect MedLife's commitment to providing excellent medical services, based on innovation and accessibility.

One of the Group's main objectives was to increase patient access to advanced medical technologies by equipping its facilities with state-of-the-art equipment, digitizing medical processes and developing innovative solutions in diagnosis and treatment. In this regard, MedLife made major investments in medical robotics, oncology, minimally invasive surgery, but also genetic sequencing.

MedLife continued its expansion in the field of robotic surgery by acquiring two new da Vinci robots, thus expanding patients' access to minimally invasive interventions, with high precision and reduced recovery time. These robots were integrated into MedLife hospitals in Brasov and Timisoara, where teams of certified specialists in robotic surgery performed revolutionary procedures, such as thyroidectomy using the BABA technique and the first robotic bilateral mastectomy in Romania. At the same time, MedLife introduced the endoscopic gastric sleeve procedure, a revolutionary minimally invasive technique for the treatment of obesity, for the first time in Romania. Thus, MedLife continues to offer modern and safe therapeutic alternatives, aligned with the latest international medical advances. At the end of 2024, MedLife

had a total of six da Vinci robots within its network, and a strong team of certified surgeons covering multiple specialties, including general surgery, gynecology, urology and oncology surgery. This multidisciplinary expertise allows MedLife to offer patients access to the most advanced and precise surgical techniques currently available.

In addition to robotic surgery, MedLife has also invested in advanced neuronavigational systems, essential in neurosurgery and other high-precision interventions. The MedLife Group has four neuronavigational systems, which allow for real-time guidance of surgical instruments, reducing surgical risks and improving postoperative outcomes. Additionally, Humanitas Hospital in Cluj features the Brainlab system, used in neurosurgery for planning complex interventions and maximizing patient safety.

Another important progress was recorded in the field of genetic sequencing, where through the acquisition of Personal Genetics, MedLife has strengthened its position in this segment. This acquisition contributes to expanding patients' access to personalized genetic diagnosis and treatment solutions, thus strengthening MedLife's expertise in precision medicine.

Through these investments in equipment and technology, MedLife reaffirms its commitment to redefine the standards in patient care. The implementation of robotic surgery, the development of multidisciplinary hospitals, the integration of artificial intelligence, as well as advances in genetic sequencing reflect the Company's commitment to bringing the medicine of the future closer to patients. In the coming year, MedLife aims to continue this innovation strategy, ensuring access to advanced technologies for an even greater number of patients in Romania.

## IT

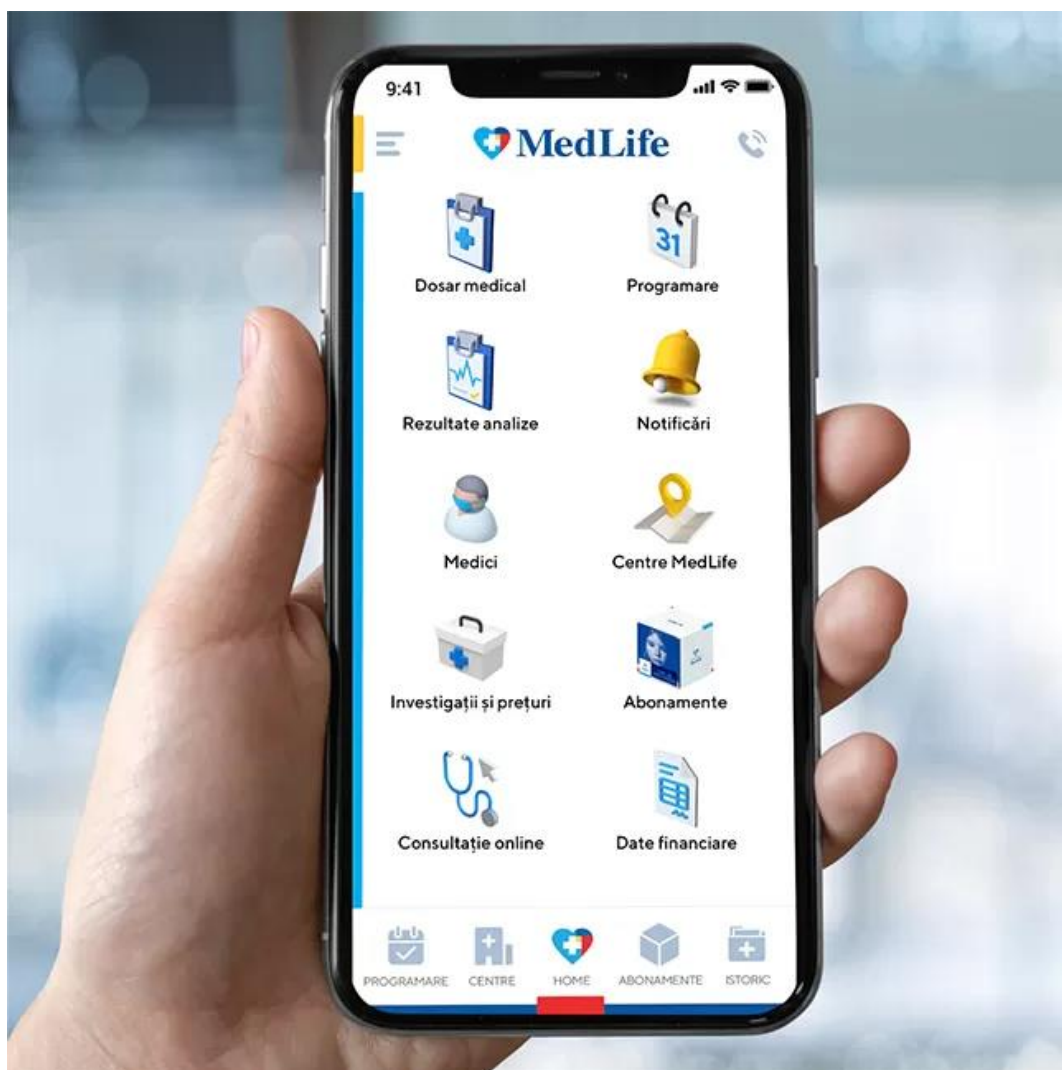
The Group relies on international suppliers for its IT hardware infrastructure. At the same time, the Group has implemented a robust IT infrastructure in all its hospitals, covering admissions and appointments, surgeries, medical procedures, patient check-in and check-out, medical consumables management, billing at the level of each client and the generation of various reports. The Laboratories business line is equipped with software to manage laboratory testing processes, including sample management, patient records, barcode labeling and automated procedures for final results. MedLife has also implemented Rayscape technology in its medical units, a comprehensive digital assistant for radiologists. This application uses artificial intelligence algorithms to analyze medical images, such as chest X-rays and computed tomography (CT) scans of the lungs, contributing to increasing the accuracy of diagnosis and streamlining the imaging analysis process.

Also, we have an integrated workflow between medical and financial-accounting operations. This

integrated system is a software solution that takes into account all the needs of the company and its way of organization, in order to achieve the proposed goals and unite all functions. The application of this system allows:

- facilitating the creation of a single information system for all company functions;
- tracking all activities and improving the organization's image;
- organizing and optimizing data acquisition methodologies;
- introducing the latest technologies specific to the type of activity;
- eliminating redundancy of used data;
- optimal database organization.

MedLife continued to integrate advanced technologies to improve the services offered to patients. Thus, in 2024, the MedLife mobile application, available for iOS and Android, was updated to facilitate quick access to appointments, test results and personal medical history.



## Ethical principles and protection of rights

At MedLife, integrity and compliance with ethical principles are fundamental in all our activities. We believe that respecting human rights, protecting patients, combating bribery and corruption, and protecting those who report abuses are essential pillars for building a transparent and responsible business environment.

Our group is committed to applying rigorous standards of conduct, ensuring that all its operations comply with applicable laws and international best practices in the field. The protection of patients is a constant priority in our activity, and the security and confidentiality of their data are treated with the utmost seriousness. All our procedures and protocols are designed to ensure fair, respectful treatment and in accordance with the highest ethical standards.

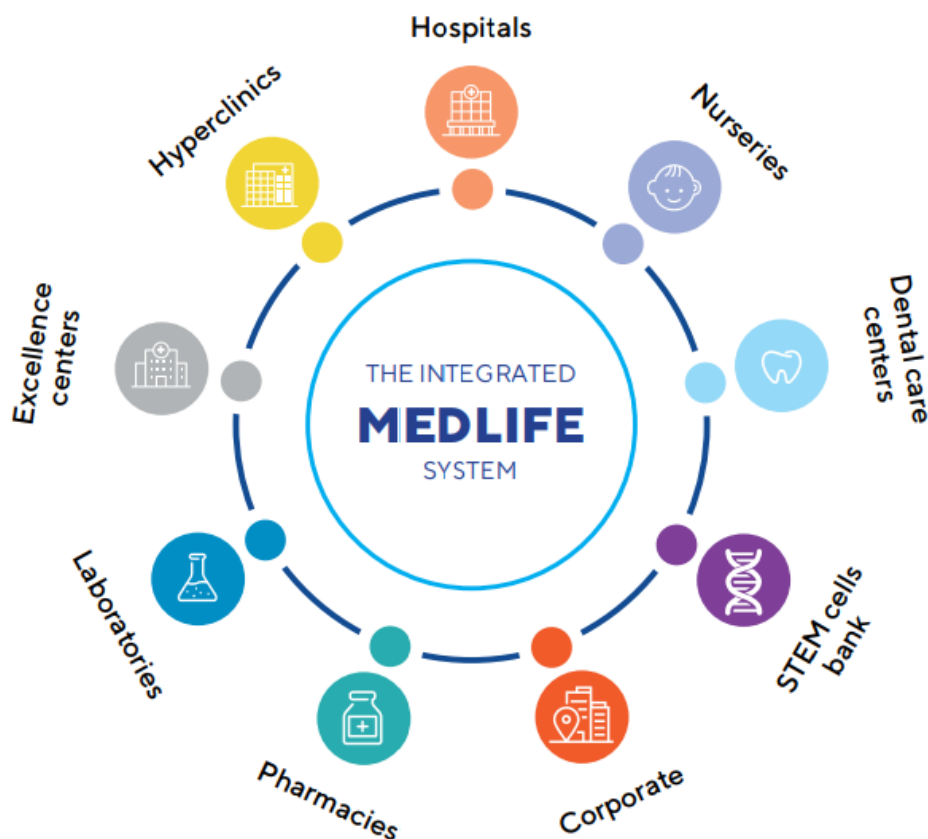
Regarding patient protection, MedLife implements strict measures to prevent any form of discrimination, abuse or negligence, and patient health information is managed with full confidentiality, in accordance with national and international data protection regulations. We are dedicated to ensuring a safe treatment environment, where patients feel respected and protected throughout the entire medical process.

We have also implemented policies and procedures that regulate internal and external conduct, in order to protect the fundamental people rights, to prevent and combat any form of corruption and bribery, and to ensure an environment in which whistleblowers are protected and supported.

## Quality standards

MedLife has implemented the following quality standards:

- ISO 9001:2015 (Quality Management System) through which the organization demonstrates that it has identified risks and is acting to eliminate or limit their effects, which may have a negative impact on the ability of the quality management system to achieve the desired results, as well as a negative impact on the degree of customer satisfaction.
- ISO 14001:2015 (Environmental Management System) The implementation of this standard ensures the company's management and its employees, as well as the external parties involved (shareholders, investors, institutions, authorities) that the organization's impact on the environment is constantly measured and improved.
- ISO 45001:2018 (Operational Health and Safety Management System) is a working model for organizations that want better control over occupational risks.



## GROUP PRESENTATION

Med Life S.A. ("MedLife", "Parent Company", "Company") is a joint-stock company established in 1996, in accordance with the laws and regulations of Romania, with its registered office in Bucharest, 365 Calea Grivitei, district 1. The company has a share capital of RON 132,870,492 and a nominal value of RON 0.25 per share.

MedLife's activity consists in providing integrated medical services through an extensive network of medical units nationwide.

### Leader in private medical services

MedLife, together with its subsidiaries ("MedLife Group" or "Group") is the largest provider of private healthcare services in Romania, holding top positions in the industry according to key indicators, such as: sales, number of clinics, number of hospitals, number of hospital beds or number of subscribers to health prevention and prophylaxis packages ("HPP").

At the end of 2024, MedLife Group operated a vast network, consisting of:

- **35 hyperclinics** and **74 clinics**, distributed both in large urban centers and in smaller towns throughout the country;
- **17** multidisciplinary and monodisciplinary **hospitals** equipped with state-of-the-art equipment.
- **4 maternities**, providing complete medical care for mothers and newborns;
- **42 laboratories**, providing advanced diagnostic services;
- **20 pharmacies**, integrated into the patients' medical circuit;
- **18 dental centers**, through the DentEstet clinic chain;
- **a stem cell bank**, one of the most modern in the country;
- **over 210** private clinic **partners** throughout the country, thus strengthening its capacity to offer integrated services to patients from all regions of Romania.
- international presence in Hungary, through 3 medical facilities in Budapest.

### The medical team and commitment to excellence

MedLife Group has the largest team of specialists in the private healthcare sector in Romania, bringing together over 5,000 doctors, employees and collaborators, from all medical specialties and over 3,300 nurses, contributing to the provision of high-quality services. In addition, as of December 31, 2024, over 2,800 full-time employees were working in administrative and support roles.

The Company collaborates with top doctors, hiring full-time specialists, as well as part-time staff or collaborators for niche areas. In order to maintain a high level of services, MedLife constantly invests in the training of medical teams, their participation in international conferences and continuous professional development.

### Innovation and investment in medical infrastructure

One of the pillars of MedLife's strategy is the adoption of the latest technologies in diagnosis and treatment. The Group allocates significant budgets annually for the renovation and expansion of its infrastructure, purchasing state-of-the-art equipment for medical imaging, minimally invasive surgery and personalized therapies.

### Impact and evolution

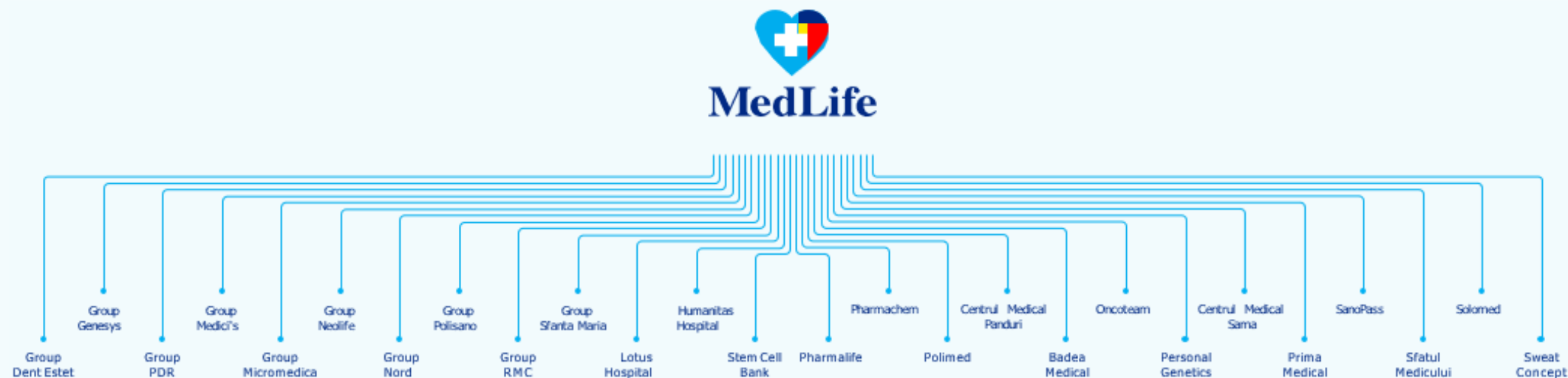
With almost 30 years of activity on the Romanian market, MedLife has provided medical services to over 6.5 million unique patients, equivalent to approximately one third of the country's population.

The Group's business model is built on providing a full spectrum of medical services, from prevention and diagnosis to treatment and recovery. This integrated approach has led to constant revenue growth and the consolidation of MedLife's position as a leader in the private medical services industry.



## Group Structure

The simplified corporate structure of the MedLife Group is as follows:



Detailed list of companies that make up the MedLife Group as of December 31, 2024:

No.	Entity	Main activity	Headquarter	Ownership percentage
1	Alinora Optimex SRL (indirect)*	Medical services	Brasov, Romania	50%
2	Almina Trading SA	Medical services	Targoviste, Romania	90%
3	Anima Promovare si Vanzari SRL (indirect)*	Medical services	Bucuresti, Romania	100%
4	Anima Specialty Medical Services SRL	Medical services	Bucuresti, Romania	100%
5	Aspen Laborator Dentar SRL (indirect)*	Dental medical services	Bucuresti, Romania	49%
6	Aspire Dental SRL (indirect)*	Dental medical services	Bucuresti, Romania	65%
7	Badea Medical SRL	Medical services	Cluj, Romania	65%
8	Bahtco Invest SRL*	Real estate development (promotion)	Bucuresti, Romania	100%
9	Bios Diagnostic Medical Services SRL (indirect)*	Medical services	Bucuresti, Romania	51%
10	Biotest Med SRL	Medical services	Bucuresti, Romania	100%
11	Brol Medical Center S.A. (indirect)*	Medical services	Timisoara, Romania	56%
12	Centrul de Diagnostic si Tratament Provita S.A.	Medical services	Bucuresti, Romania	51%
13	Centrul Medical Antares SRL	Medical services	Piatra Neamt, Romania	100%
14	Centrul medical Micromedica SRL	Medical services	Piatra Neamt, Romania	100%
15	Centrul Medical Panduri SA	Medical services	Bucuresti, Romania	100%
16	Centrul Medical Sama SA	Medical services	Craiova, Romania	90%
17	Clinica Polisano SRL	Medical services	Sibiu, Romania	100%
18	Costea Digital Dental SRL (indirect)*	Dental medical services	Oradea, Romania	38%
19	Dent A Porter SRL (indirect)*	Dental medical services	Bucuresti, Romania	34%
20	Dent Estet Clinic SA	Dental medical services	Bucuresti, Romania	65%
21	Dent Estet Genesys SRL (indirect)*	Medical services	Arad, Romania	74%
22	Dent Estet Ploiesti SRL (indirect)*	Dental medical services	Ploiesti, Romania	33%
23	Dentestet Kids SRL (indirect)*	Dental medical services	Bucuresti, Romania	34%
24	Euromedica Administrator SA	Holding	Baia Mare, Romania	80%
25	Euromedica Hospital SA	Medical services	Baia Mare, Romania	80%
26	Expert Med Centrul Medical Irina (indirect)*	Medical services	Galati, Romania	76%
27	Genesys Medical Clinic SRL (indirect)*	Medical services	Arad, Romania	83%
28	Green Dental Clinic SRL (indirect)*	Dental medical services	Bucuresti, Romania	33%

No.	Entity	Main activity	Headquarter	Ownership percentage
29	Histo SRL (indirect)*	Medical services	Brasov, Romania	50%
30	IT Repair SRL (indirect)*	Medical services	Targu Mures, Romania	50%
31	KronDent SRL (indirect)*	Dental medical services	Brasov, Romania	39%
32	Laborator Cuza Voda SRL (indirect)*	Medical services	Bucuresti, Romania	51%
33	Med Life Broker de Asigurare si Reasigurare SRL	Insurance broker	Bucuresti, Romania	99%
34	Med Life Occupational SRL	Medical services	Bucuresti, Romania	100%
35	Med Varix SRL (indirect)*	Medical services	Timisoara, Romania	56%
36	Medapt SRL (indirect)*	Medical services	Brasov, Romania	83%
37	Medica SA	Medical services	Sibiu, Romania	60%
38	Medical City Blue SRL (indirect)*	Medical services	Bucuresti, Romania	51%
39	Medici's SRL	Medical services	Timisoara, Romania	80%
40	Medrix Center SRL (indirect)*	Medical services	Roznov, Romania	100%
41	Micro-Medic SRL (indirect)*	Medical services	Timisoara, Romania	80%
42	Micromedica Bacau SRL (indirect)*	Medical services	Bacau, Romania	100%
43	Micromedica Roman SRL (indirect)*	Medical services	Roman, Romania	100%
44	Micromedica Targu Neamt SRL (indirect)*	Medical services	Targu Mures, Romania	100%
45	MNT Asset Management SRL (indirect)*	Holding	Bucuresti, Romania	50%
46	MNT Healthcare Europe SRL	Medical services	Ilfov, Romania	50%
47	Muntenia Medical Competences S.A. (indirect)*	Medical services	Pitesti, Romania	51%
48	Nord Management Solutions SRL (indirect)	Real estate development (promotion)	Bucuresti, Romania	51%
49	Nord Soma SA (indirect)	Medical services	Bucuresti, Romania	51%
50	Onco Card Invest SRL (indirect)*	Holding	Brasov, Romania	83%
51	Onco Card SRL (indirect)*	Medical services	Brasov, Romania	83%
52	Oncoteam Diagnostic SRL*	Medical services	Bucuresti, Romania	100%
53	OptiCristal Consult SRL (indirect)*	Medical services	Brasov, Romania	50%
54	Personal Genetics SRL	Medical services	Bucuresti, Romania	100%
55	Pharmachem Distributie SRL	Wholesale of pharmaceutical products	Bucuresti, Romania	75%
56	Pharmalife-Med SRL	Retail sale of pharmaceutical products in specialized stores	Bucuresti, Romania	100%



No.	Entity	Main activity	Headquarter	Ownership percentage
57	Policlinica de Diagnostic Rapid Medis SRL (indirect)*	Medical services	Sfantu Gheorghe, Romania	66%
58	Policlinica de Diagnostic Rapid SA	Medical services	Brasov, Romania	83%
59	Policlinica Union SRL (indirect)*	Medical services	Cluj, Romania	51%
60	Prima Medical SRL	Medical services	Craiova, Romania	100%
61	Pro Life Clinics SRL (indirect)*	Medical services	Iasi, Romania	78%
62	Provita 2000 SRL (indirect)	Medical services	Constanta, Romania	100%
63	Provita Pain Clinic SA (indirect)*	Medical services	Suceava, Romania	36%
64	RMC Dentart (indirect)*	Dental medical services	Budapest, Hungary	88%
65	RMC Medical (indirect)*	Medical services	Budapest, Hungary	88%
66	RMC Medlife	Holding	Budapest, Hungary	88%
67	RUR Medical SRL (indirect)*	Medical services	Brasov, Romania	83%
68	Sanopass SA	Medical platform	Targoviste, Romania	100%
69	SC M-Profilaxis SRL (indirect)*	Medical services	Timisoara, Romania	100%
70	Sfatul medicului SRL	Medical platform	Bucuresti, Romania	100%
71	Solomed Clinic SA	Medical services	Pitesti, Romania	80%
72	Solomed Plus SRL (indirect)*	Medical services	Pitesti, Romania	80%
73	Spitalul Lotus SRL	Medical services	Ploiesti, Romania	100%
74	Stem Cells Bank SA	Medical services	Timisoara, Romania	100%
75	Stomestet SRL (indirect)*	Dental medical services	Cluj, Romania	39%
76	Super Age by Nord SA (indirect)	Medical services	Bucuresti, Romania	51%
77	Sweat Concept One SRL	Wellness	Bucuresti, Romania	60%
78	Tomorad Expert SRL (indirect)*	Medical services	Sfantu Gheorghe, Romania	66%
79	Ultratest SA (direct si indirect)*	Medical services	Craiova, Romania	92%
80	Valdi Medica SA	Medical services	Cluj, Romania	55%
81	VitaCare Flav SRL (indirect)*	Medical services	Pitesti, Romania	51%
81	VitaCare Flav SRL (indirect)*	Medical services	Pitesti, Romania	51%
82	Vital Test SRL	Medical services	Iasi, Romania	100%
83	VP-MED Kereskedelmi es Szolgaltato Korlatolt Felelossegu Tarsasag	Medical services	Budapest, Hungary	100%

\* These companies are subsidiaries of other subsidiaries in the Group and are included in the consolidation because they are controlled by entities that are subsidiaries of the Parent Company.

One of the essential pillars of the business model is the Group's ability to provide high-standard healthcare services, in modern facilities equipped with advanced technologies, where patients benefit from the expertise of a multidisciplinary team of doctors, nurses and support staff. The accessibility and diversification of services contribute to maintaining a constant flow of patients and consolidating MedLife's position as a leader on the private healthcare market.

Through this integrated model, MedLife not only ensures constant and sustainable growth, but also manages to respond to the demands of a dynamic market, adapting quickly to changes in the healthcare field and the constantly evolving needs of its patients.





## Clinics

The Clinics business line includes outpatient units and diagnostic imaging services. The clinics offer consultations with general practitioners and specialists, diagnostic imaging investigations and, in some cases, day hospitalization services. MedLife has developed this business line under two main formats, each with a strategic role in covering the needs of patients:

- **Hyperclinics – integrated medical centers for extended services**

MedLife introduced the concept of Hyperclinics in Romania, large medical units (over 1,000 sq m), which include over 20 medical offices and offer patients a one-stop-shop model for consultations and investigations. This format is intended for cities with over 175,000 inhabitants and provides a full range of imaging services, such as MRI, CT, mammography, radiology, and ultrasound. In the case of new units, these services can be gradually integrated.

MedLife Hyperclinics also host services from other business lines, such as laboratory sample collection points or pharmacies, which contributes to increasing operational efficiency and optimizing the patient experience. An essential element of this model is the ability to guide patients through the entire medical journey, from prevention to diagnosis and treatment.

Through this model of complementary clinics, MedLife Group maximizes its geographical coverage, optimizes patients' access to quality medical services and ensures a smooth medical journey.

- **Clinics – medical facilities dedicated to general and specialized care**

Alongside Hyperclinics, MedLife also operates smaller clinics that provide general medicine and specialist consultations. These units serve patients from different segments, including individuals with corporate subscriptions, patients who pay for services individually (fee for service - "FFS") and patients who benefit from services reimbursed through NHIH.

Generally, these clinics include between 5 and 12 medical offices, but the Group has also developed smaller satellite clinics, adapted to the specifics of local markets. Located in smaller cities or in areas with a high concentration of patients, these clinics have the role of ensuring accessibility to basic medical services and facilitating the referral of patients to more specialized units, such as Hyperclinics, for advanced investigations or more complex treatments.



## Hospitals

The Hospitals business line within the MedLife Group covers hospitalization and surgical treatment services, offering patients access to a wide range of medical specialties. At the end of 2024, MedLife operated 17 hospitals located in Arad, Baia Mare, Bucharest, Brasov, Cluj, Craiova, Pitesti, Ploiesti, Sibiu and Timisoara, being the largest private hospital network in Romania, with over 1,400 beds and a wide range of medical and surgical specialties.

The Group holds 13 hospitalization licenses, covering the activities in this business line. Two of these licenses are related to main hospital units, while four other licenses are allocated to external departments. In addition, MedLife manages four day-hospitalization units in Bucharest, Iasi, Craiova and Timisoara, which offer exclusively short-term hospitalization services. These units are integrated within the MedLife clinics, and their financial results are recognized in the Clinics business line, the Group considering them as functional components of the Hyperclinics.

MedLife carries out its hospital activity in a combination of owned units and units operated under long-term lease agreements. The MedLife network includes multidisciplinary and monodisciplinary hospital units, all equipped with state-of-the-art technologies and highly trained medical staff.

### *Multidisciplinary hospital units*

#### **MedLife Genesys Hospital in Arad**

MedLife Genesys Hospital is one of the largest private hospitals in the west of the country. The hospital can treat a complex range of pathologies and surgical interventions, both through classical approaches and minimally invasive laparoscopic methods. The hospital has modern operating rooms and offers day and continuous hospitalization, with a 24/7 nurse calling system.

#### **MedLife PDR Hospital in Brasov**

MedLife Brasov Hospital is a modern multidisciplinary hospital that combines medical expertise, cutting-edge technology and teamwork with coordination and focus on the individual needs of the patient. The hospital has a hybrid room, a complete, state-of-the-art operating room, equipped with all the equipment necessary for open vascular surgery and with a mobile 2D and 3D radiology equipment and a state-of-the-art Endonaut image fusion system. The hybrid room is also equipped with an endovascular navigation system, Thereneva, which brings a plus to surgical interventions. Also, starting 2024, the hospital is equipped with a da Vinci robot as well.

The infrastructure and facilities are modern and meet international standards, the hospital being one of the most important and largest private operators in the central area of the country.

#### **Lotus Hospital in Ploiesti**

MedLife Lotus Ploiesti Hospital dedicates all its resources to ensuring each patient professional medical services at the highest standards, based on state-of-the-art technological support, in conditions of maximum safety and comfort.

The hospital has been operating since 2004 and offers services in continuous hospitalization and day hospitalization. The operating block has state-of-the-art equipment, modern operating rooms, anesthesia machines, electrocautery, laparoscopy tower and HD hysteroscopy.

#### **NORD Muntenia Hospital in Pitesti**

At Nord Muntenia Hospital, patients benefit from specialist consultations and check-ups, with over 17 specialties, where a dedicated and experienced medical team operates, where patients benefit from complex and complete investigations.

The hospital offers high-quality medical services, both in day and continuous hospitalization, and emphasizes minimally invasive interventions, using techniques such as laparoscopic, arthroscopic and endoscopic approaches and personalized medical recovery programs. The operating room is designed according to the highest technical standards in the field, and the operating rooms are equipped with state-of-the-art medical technology for precise and efficient interventions.

The hospital has an integrated imaging center with high-performance equipment for MRI, CT, conventional radiology, 3D mammography with tomosynthesis, osteodensitometry and ultrasound with minimal radiation, as well as a modern laboratory for medical analysis and testing where tests can be performed with maximum precision and accuracy, connected to an electronic system for rapid and accurate data transmission, which helps with prompt diagnosis.

The hospital offers complete medical services in the specialties: general surgery, orthopedics, ENT, urology, plastic surgery.

#### **Humanitas Hospital in Cluj-Napoca**

MedLife Humanitas Hospital offers complex medical solutions, through a team of exceptional doctors and state-of-the-art medical equipment.

The team of doctors has multidisciplinary experience and covers specialties such as: general surgery, endocrine surgery (thyroid, parathyroid, adrenal, neuroendocrine tumors), oncological and reconstructive surgery, obstetrics-gynecology, urology, reconstructive and aesthetic plastic surgery, neurosurgery,

orthopedics-traumatology, dermatology, neurology, anesthesia and intensive care.

The da Vinci X robotic system is also available at MedLife Humanitas Hospital, with the help of which patients in the Cluj area benefit from complex interventions to treat a wide range of conditions: general surgery, oncological surgery, gynecological surgery and urological surgery.

### **Polisano Hospitals in Sibiu**

*MedLife Polisano Constitutiei Hospital* was the first private hospital in Romania. The medical unit is organized into medical and surgical departments, has an operating room with operating rooms and an ICU department, equipped according to the latest technology and quality standards. The hospital is served by its own laboratory for medical analysis, high-performance imaging, as well as an integrated outpatient clinic.

*MedLife Polisano Izvorului Hospital* is part of an integrated structure of centers of excellence in medicine at European level and is one of the most modern units, being an important presence on the Romanian medical services market, both through its exceptional facilities and through the agreements concluded with Lucian Blaga University of Sibiu.

MedLife Polisano Hospital also has the da Vinci X robotic system available, with the help of which patients in the Sibiu area benefit from complex interventions to treat a wide range of conditions.

### **MedLife Medical Park in Bucharest**

MedLife Medical Park Hospital brings a modern operating block consisting of 10 operating rooms with state-of-the-art equipment and which operates 24 hours a day, 7 days a week. The hospital offers patients an extensive range of medical specialties, including: general surgery, plastic surgery, aesthetics and reconstructive microsurgery, ENT surgery, orthopedic surgery, surgery, neurosurgery, urological surgery, gynecological and ophthalmological surgery.

### **MedLife Titan Hospital in Bucharest**

The hospital has an operating block with an operating room where a wide range of surgical interventions can be performed, an anesthesia and intensive care unit, equipped with high-performance equipment, as well as laboratory equipment necessary for analyses performed in the emergency system. The hospital offers day hospitalization services.

### **NORD Hospital in Bucharest**

NORD Pipera Hospital is a multidisciplinary center dedicated to the health and life of its patients. Built on an area of 25,000 square meters, the hospital has 8 ultra-modern operating rooms, designed to support a wide range of complex surgical interventions. Equipped with state-of-the-art technology, the hospital has ultra-modern operating rooms, advanced diagnostic

laboratories and intensive care units equipped with high-performance equipment. All of these allow for the performance of complex surgical interventions and provide an optimal framework for the monitoring and treatment of patients in critical condition.

The following centers also operate within NORD Hospital: Cardiovascular Disease Center, HBP (hepato-bilio-pancreatic) Surgery Center, NORD Weight Control Center, Robotic Surgery Center, Bronchoscopy Diagnosis and Screening Center, Imaging Center, Interventional Radiology Center, Orthopedics and Sports Surgery Center, NORD Integrated Pain Therapy Center.

### **MedLife Sama Hospital in Craiova**

The first multidisciplinary hospital in the Oltenia region. The hospital covers an area of 3,400 sq m and makes a significant contribution to the offer of health services in the Oltenia area. Equipped with state-of-the-art technology, high-performance imaging and medical analysis laboratories, and a digitalized operating room, MedLife Craiova Hospital offers patients from the entire Oltenia region access to precision diagnosis and innovative treatments.

### **Medici's Hospital in Timisoara**

Medici's Hospital, a multidisciplinary unit that involved an investment of over 25 million euros, this hospital redefines the standards in medical care, positioning Timisoara among the reference centers for health in Central and Eastern Europe.

Medici's Hospital is the most important private medical investment in the west of the country. The hospital occupies an area of 6,200 square meters and has 10 operating rooms, of which 5 are part of an ultramodern operating block equipped with a "cleanroom" system, 2 are intended for day surgery, one is allocated for cesarean operations, and another 2 are specialized for births. This large and diversified infrastructure makes MedLife Medici's Hospital one of the most modern and performing private medical units in Romania.

A defining element of its infrastructure is the implementation, for the first time in western Romania, of the first complete surgical "cleanroom" system. This advanced technology, essential in state-of-the-art operating rooms, uses a constant and fully filtered laminar airflow, eliminating contaminating particles from the air. By significantly reducing the risk of post-operative infections, cleanrooms contribute to optimal patient safety. In addition, the equipment includes advanced sensors that automatically monitor and regulate environmental parameters, such as temperature, humidity and air pressure, thus creating ideal conditions for complex surgical interventions. The EURO 1 million investment in this system underlines MedLife's commitment to complying with and even exceeding international hygiene and safety standards.

MedLife Medici's Hospital also sets a global benchmark by implementing the innovative CollaboratOR® 65 LITE technology, an interactive hub that integrates real-time communication and visualization. This revolutionary solution allows the medical team to access images, patient information and other critical data during interventions, thus increasing the accuracy of decisions. Furthermore, the system facilitates collaboration with experts from around the world, creating unique opportunities for the exchange of knowledge and expertise in real time. By streamlining surgical processes and exceptional team coordination, the CollaboratOR® 65 LITE redefines the standards for complex surgeries.

Another top-of-the-line equipment that completes the hospital's facilities is the Kinevo 900 visualization system, developed by the Carl Zeiss company. Representing a benchmark in neurosurgery, this advanced system combines traditional optical visualization with 3D digital imaging in 4K resolution. Surgeons benefit from

exceptional clarity and remarkable flexibility in microscopic and exoscopic approaches, which allows complex interventions to be performed with a higher degree of precision. Kinevo 900 optimizes operating time and delivers superior results, being essential in neurosurgical procedures and other highly complex interventions.

Through these advanced technologies, the new hospital demonstrates a solid commitment to innovation, medical excellence and patient safety, consolidating its position as a leader in the healthcare field.

### **Euromedica Hospital in Baia Mare**

Euromedica Hospital Baia Mare is a medium-sized hospital with multidisciplinary services, an outpatient clinic, a laboratory and an imaging department and has a team of over 40 employed and collaborating doctors. The hospital is equipped with 50 beds and two operating rooms, while the outpatient area has 14 medical specialties and an imaging department.



### *Monodisciplinary hospital units*

#### **MedLife Orthopedics Hospital in Bucharest**

MedLife Orthopedics and Plastic Surgery Hospital is the first private hospital in Romania dedicated to the orthopedic sphere, with a complete capacity for diagnosis and treatment of locomotor disorders. The hospital is organized according to European standards, both in terms of medical protocols and in terms of comfort and equipment, offering integrated treatment solutions.

#### **Pediatric Hospital in Bucharest**

MedLife Pediatric Hospital, the first private pediatric hospital in Romania, brings together the best specialists with international expertise and modern equipment to provide safety and the friendliest possible conditions for all the little ones who cross its threshold.

The hospital is arranged on 6 levels and has a capacity of 132 beds, and thanks to the two operating rooms equipped with high-performance equipment, complex interventions from several surgical fields can be managed.

The unit has a specialized imaging department, where ultrasound and radiological examinations can be performed, an in-house analysis laboratory, with a permanent operating schedule, and a pharmacy.

#### **AngioLife Hospital in Bucharest**

AngioLife Hospital is a Cardiology and Interventional Radiology center that provides medical assistance of the highest competence and covers the entire scope of cardiovascular pathology, from the preclinical stage to advanced interventional treatment. The hospital is a specialized center where the diagnosis, treatment and rehabilitation of patients is done in an integrated system and the medical services offered cover a wide range of pathologies.

#### **OncoCard Hospital in Brasov**

MedLife Brasov Oncology Hospital represents the most modern oncology diagnosis and treatment platform in Romania, based on an innovative concept of integrative medicine that starts from the diagnostic phase and covers the entire period of specific active therapies, synonymous with excellence in oncology patient care.

The unique combination of state-of-the-art medical equipment and specialists well-versed in the latest concepts and techniques allows the creation of the most complex investigation platform and ensures each patient a personalized approach that increases the chances of cure and quality of life.

MedLife Brasov Oncology Hospital was inaugurated in 2012, has an area of 8,200 m<sup>2</sup> and covers the entire range of oncology treatment.

#### **Maternal and child health dedicated services**

MedLife operates modern maternity hospitals in Arad, Bucharest, Sibiu and Timisoara, offering patients a safe environment and interdisciplinary medical teams ready to intervene at any stage of childbirth. These units are equipped with advanced technologies, labor and operating rooms equipped to international standards, as well as obstetrics-gynecology, neonatology and intensive care (ICU) departments. Patients also benefit from specialized support through dedicated counseling both before and after birth.

In addition, MedLife provides a stem cell bank, which uses advanced biotechnologies for the collection, processing and storage of stem cells, thus offering state-of-the-art medical solutions for the future of children's health. The maternity hospital activities are included in the Hospitals business line, having a significant impact on the Group's positioning on the private healthcare market. The stem cell bank's activity is included in the "Other" business line.

The Hospitals business line generates the majority of its revenues from services provided to patients with direct fee for service. At the same time, some of the hospitalization services are reimbursed by the National Health Insurance House, especially in the maternity, gynecology, surgery, cardiology and oncology departments.

The operating model of MedLife hospitals is based on the integration of medical services, allowing patients to benefit from continuity of care, from initial consultations to diagnosis, treatment and recovery.

The following table includes a distribution of beds per hospital and hospitalization regime:



	ICU	Neonatology	Continuous hospitalization	Day hospitalization	Total
<b>Pediatric Hospital</b>	10	-	96	26	<b>132</b>
<b>MedLife Medical Park</b>	23	43	155	11	<b>232</b>
<b>AngioLife</b>	3	-	6	-	<b>9</b>
<b>Orthopedic Hospital</b>	11	-	25	-	<b>36</b>
<b>Titan Hospital</b>	4	-	-	27	<b>31</b>
<b>PDR Hospital</b>	15	18	72	27	<b>132</b>
<b>Genesys Hospital</b>	4	10	45	4	<b>63</b>
<b>MedLife Iasi*</b>	1	-	-	6	<b>7</b>
<b>MedLife Timisoara*</b>	2	-	-	8	<b>10</b>
<b>Humanitas Hospital</b>	5	-	43	9	<b>57</b>
<b>Polisano Hospitals</b>	21	18	144	12	<b>195</b>
<b>Euromedica Baia Mare</b>	4	6	39	9	<b>58</b>
<b>Lotus Hospital</b>	3	-	12	10	<b>25</b>
<b>Oncocard</b>	-	-	75	22	<b>97</b>
<b>Muntenia NORD</b>	6	-	19	23	<b>48</b>
<b>NORD Agricultori</b>	8	-	18	16	<b>42</b>
<b>NORD Pipera</b>	16	-	65	26	<b>107</b>
<b>Medici's Timisoara</b>	13	20	84	3	<b>120</b>
<b>MedLife Craiova</b>	7	-	35	54	<b>96</b>
<b>Total</b>	<b>156</b>	<b>115</b>	<b>933</b>	<b>293</b>	<b>1,497</b>

\* Day hospital units that exclusively provide short-term inpatient services.

## Laboratories

MedLife Group laboratories represent an important pillar, offering high-quality medical analysis services, supported by state-of-the-art technology and specialized personnel. These laboratories are equipped with modern equipment from world-renowned manufacturers, such as Abbott, Roche and Siemens, which ensure high execution speed and perfect accuracy of results. For example, 70% of medical analyzes are processed and delivered within 24 hours, an essential aspect for the rapid and efficient diagnosis of patients. The laboratories are RENAR accredited, which guarantees compliance with international quality standards.

MedLife offers a wide range of laboratory tests, which include areas such as biochemistry, pathological anatomy (cytology and histology), molecular biology and genetics, hematology, immunology, microbiology, cytology and toxicology.

A significant aspect of the development of this business line is the acquisition, in 2024, of the Personal Genetics laboratory, a strategic step that made MedLife the operator with the greatest expertise in the field of genetics and molecular biology in the country. By integrating Personal Genetics, MedLife can offer an extensive range of genetic tests, including genetic analyses for disease risk prediction and personalized fertility tests, as well as genetic counseling.

In addition, MedLife has an extensive network of collection points, dedicated medical units where blood and other samples are collected from patients. These locations facilitate rapid access to laboratory services, providing patients with a convenient and complete experience.

The Laboratories business line derives most of its revenue from patients who pay directly for medical services, through fee-for-service.





## Corporate

The Corporate business line focuses on providing preventive and prophylactic healthcare packages ("HPP") to corporate clients as an integral part of the benefits offered to their employees. These programs are designed to support health prevention through regular medical check-ups and rapid access to diagnostic services, thus ensuring a holistic and proactive approach to employee health. In addition, these prevention packages complement the mandatory occupational health services required by law, which the Group offers as Standard HPP, and corporate clients benefit from a comprehensive package of medical services that go beyond the minimum legal requirements.

One of the main advantages of this business model is the ability to stimulate up-selling, due to the fact that many corporate clients start with basic medical packages and gradually move to more complex and comprehensive services. This approach allows the Group to build long-term relationships with clients, responding to their needs as they evolve.

In terms of geographical expansion, the Group identifies the market outside Bucharest as a significant growth opportunity, given that it currently remains underdeveloped for the corporate segment. Thus, continuous investments in expanding the network of medical units play an essential role in attracting new corporate clients. The Group's ability to serve

corporate subscribers in its own medical locations is a key factor in the companies' decisions to purchase medical services. The Group thus aims to acquire and integrate local and regional providers, thus expanding its national footprint and increasing its attractiveness on the corporate market.

The MedLife Group has a portfolio of over 870 thousand HPP clients, demonstrating the success and scale of this business line. The medical prevention and prophylaxis packages offered include a wide range of services, tailored to the needs of each corporate client:

- **Mandatory occupational health services**, which mainly include annual employee check-ups and specific services depending on the client's industry. Many companies initially opt for occupational health packages within the HPP Standard and later add additional benefits from the same healthcare provider, thus generating upsell opportunities.
- **Prevention-oriented health plans**, which are increasingly in demand, offering extended access to general practitioners and specialists from the Group's clinics. These packages can also include laboratory tests and imaging investigations for clients who want more complete and personalized packages. Thus, companies can choose the packages that best suit the needs of their employees, benefiting from a flexible and scalable system.

This business line not only supports the health of employees of companies that purchase Corporate services, through prevention and treatment programs, but also creates a continuous growth opportunity for the Group, by diversifying services and expanding into new markets. This integrated and adaptable business model ensures a competitive advantage in the corporate market in Romania.

### Pharmacies

The Pharmacies business line is a key component of the Group's strategy to provide comprehensive healthcare services, offering patients quick and convenient access to a wide range of pharmaceutical products and related services.

The Group owns 20 pharmacies, strategically located in hyperclinics and hospitals, as well as nearby, to ensure maximum accessibility for patients. This distinctive aspect has the effect of integrating this business line into the overall flow

of healthcare services offered. When patients receive a prescription in one of the MedLife units' consultation rooms, they can easily pick up their medicines from pharmacies in the same building or nearby. This integrated model offers patients an additional level of comfort and convenience, saving them time and eliminating the need for additional trips, thus improving their efficiency and experience. Thus, MedLife pharmacies become an integrated element of healthcare services, creating a continuous experience for the patient, from consultation to treatment.

The Group's pharmacies offer prescription and non-prescription pharmaceutical products, covering a wide range of patient needs. These include medicines for common treatments, dietary supplements, cosmetics, as well as related medical products. In addition, MedLife pharmacies have their own laboratory, where personalized pharmaceutical products are prepared according to individual patient needs and medical recommendations.



### Dentistry

The Group's expansion into the Dentistry business line adds another step to this revenue capture strategy. Preventive dental check-ups can be included in some medical prevention and prophylaxis packages, which may lead patients to choose the Group for any follow-up treatment as an FFS client.

The Dentistry business line offers a varied and comprehensive range of dental services, tailored to the diverse needs of patients. From routine dental check-ups and preventive procedures to complex surgical interventions, this business line ensures high-quality treatments, performed by experienced dentists.

Since dental services are not reimbursed by the National Health Insurance House, all revenues from this business line come exclusively from fee-for-service.

**In addition to the 6 main business lines, MedLife Group, as a result of strategic acquisitions made over time, has expanded its service portfolio, integrating:**

### **Pharmaceutical distribution**

Pharmachem is one of the most important pharmaceutical distribution companies in Romania, playing a key role in ensuring access to high-quality healthcare products and services. With solid experience in the field, the company is distinguished by an extensive network of suppliers and strategic partnerships with top manufacturers, which allows it to deliver a wide range of medicines, medical consumables and pharmaceutical products. Thus, Pharmachem guarantees that pharmacies, hospitals and other healthcare providers benefit from reliable products that meet the health requirements of patients throughout the country.

As a pharmaceutical distributor, Pharmachem Distributie is responsible for the entire supply chain, from the storage and handling of pharmaceutical products to their transport to end users, whether pharmacies, clinics or hospitals. This involves rigorous inventory management, compliance with safety and hygiene standards, and the application of quality control processes to

ensure the integrity and efficacy of each product distributed. The company complies with strict regulations imposed by sanitary and public health authorities, following detailed protocols for each stage of the distribution process.

### **Wellness**

MedLife Group's Wellness business line focuses on integrating a healthy lifestyle, combining premium fitness services and access to comprehensive wellness facilities, through a wide range of personalized solutions that meet the individual needs of patients. MedLife has created an integrated wellness platform, which includes both its own network of **Sweat Concept** fitness centers and the **Sanopass** platform, both of which significantly contribute to promoting health and improving the lifestyle of its customers. This approach offers not only high-quality medical and diagnostic services, but also the opportunity to adopt an active lifestyle, thus preventing a number of diseases and promoting the overall health of users.





## HUMAN CAPITAL

### Team dedicated to excellence in medical services

The Group serves patients through the largest private team of doctors and nurses in Romania. As of December 31, 2024, the Group collaborated with over 5,000 doctors, employees and collaborators, and 3,300 qualified nurses in its lines of activity. These include both employees who work exclusively for the Group and collaborators who provide services as independent professionals. In addition, over 2,800 full-time employees occupied administrative and support positions, contributing to the smooth running of the operational activity.

The objective of the MedLife Group is to form a solid team, with full-time medical personnel, but recognizes the realities of the market and the need to maintain flexibility in recruitment. Thus, depending on the specialization and availability of medical professionals, the Group also collaborates with independent personnel through service contracts. These specialists are considered commercial partners, providing services in accordance with applicable legislation and being remunerated according to the activity performed.

MedLife aims to offer an attractive salary policy, offering a compensation package that includes:

- fixed remuneration depending on specialization and experience,
- variable remuneration based on revenue sharing mechanisms, linked to the medical activity performed,
- for collaborators, a remuneration system based on the number of appointments and medical services provided to patients,
- access to professional training and continuous development programs.

The Group does not operate pension plans or long-term benefit plans.



### A work environment based on respect and fairness

MedLife is committed to creating a safe working environment, where every employee is treated with respect and has the opportunity to reach their full potential. The Group promotes a climate based on equity, diversity and inclusion, where every colleague is encouraged to actively contribute to the success of the organization.

In this regard, MedLife does not tolerate any form of discrimination, intimidation or harassment, whether in relationships between colleagues or in interactions with patients. Open and clear communication is encouraged at all levels, and employees are encouraged to report any unethical or illegal behavior to the human resources department. All complaints are treated seriously, being investigated confidentially and impartially, to ensure a working environment where every person feels safe and respected.

### **Investing in professional development and continuing education**

MedLife places particular emphasis on continuous professional training, ensuring access to an extensive e-learning platform and personalized training programs for each professional category.

#### **Internal e-learning platform**

From the moment of employment, each colleague has access to the MedLife e-learning platform, where they can take fundamental courses as well as additional courses for skill development.

#### **Training courses**

At MedLife, we believe that investing in the continuous development of our employees is essential to ensuring a professional and efficient work environment. Therefore, we offer a wide range of internal training courses, adapted to the needs of each category of employees. These programs are designed to support the rapid and efficient integration of new team members, but also to facilitate the continuous professional development of all employees, regardless of their level of experience.

Each category of employees benefits from personalized onboarding programs, which provide the information and skills necessary to understand the organizational culture, internal procedures and role-specific requirements. In addition, for experienced employees, advanced training courses are available aimed at improving professional skills, developing leadership skills and deepening knowledge specific to the field of activity.

Through these trainings, MedLife is committed to providing continuous support in the development of each employee, thus contributing to increasing individual performance and organizational efficiency.

In addition to these trainings, in 2024 MedLife supported the participation of the Group's employees in internal and external conferences, offering them the opportunity to learn from experts in the field and stay up to date with the latest medical discoveries and technologies. MedLife also organized dedicated events with the aim of facilitating the exchange of knowledge and best practices among healthcare professionals. These initiatives not only help to increase the skills of the medical team, but also strengthen the company's commitment to excellence in patient care.

#### **Events designed and implemented by the MedLife team**

**Masterclass DermaLife** – Advanced course that brought together dermatologists from MedLife units in Bucharest, Constanta, Galati, Cluj, Ploiesti and Oradea. Participants attended both a theoretical module on the latest laser technologies in dermatology, and practical modules, with hands-on sessions, in which techniques for approaching complex cases were deepened with the help of one of the most modern & efficient laser platforms currently existing in the world.

**Masterclass in orthopedic surgery** – Approximately 40 doctors from the MedLife Group, as well as from other state or private institutions, deepened the techniques of reconstruction of the anterior cruciate ligament, within the sessions supported by experts from Romania and abroad. Throughout the 2 days of the masterclass, 6 different reconstruction techniques were presented within the framework of 14 surgical interventions transmitted LIVE.

#### **Evenimente externe, la care a participat personalul MedLife**

**The 15th edition of the National Conference of the Romanian Laboratory Medicine Association (AMLR)**, where MedLife held the workshop *Continuous improvement of the effectiveness of the laboratory management system through feedback from collaborating clinicians* – study carried out with the participation of MedLife Clinics in Bucharest. Conclusions presented by Robert Beke (Executive Director of the Laboratory division of the MedLife Group) and Suzana Hatescu (Abbott), respectively the symposium on the theme

*Comprehensive genomic characterization of cancer – the central method in the era of personalized medicine*, held by (PhD) Dumitru Jordan – biologist, coordinator of the Genetics and Molecular Biology Laboratory of MedLife

**Care4Cancer Conference** – The conference, which focused on topics related to novelties in neuro-oncology, was attended by approximately 50 doctors and specialists from the Mayo Clinic in the USA and other renowned medical centers in Turkey, Poland and Romania as lecturers and

over 250 participants - doctors, clinicians, researchers, civil society experts, as well as medical students.

**Romanian Hernia Days** – The conference, which focused on topics related to modern abdominal wall reconstruction techniques, featured approximately 30 renowned lecturers from 20 countries, and approximately 240 participants from the country and abroad.

**European strategies for medical treatment of endometriosis** – Among the reference lecturers in the field were Dr. Gabriel Mitroi and his team – Bucharest Endometriosis Center, from MedLife, who addressed topics such as European innovations and cutting-edge research in the treatment of endometriosis, imaging diagnosis of endometriosis, optimal surgical techniques in colorectal endometriosis surgery, urinary tract surgery, etc. Approximately 100 participants were present at the conference

## CORPORATE GOVERNANCE

Corporate governance in MedLife is carried out in accordance with the provisions of Companies Law no. 31/1990, republished, as subsequently amended and supplemented, of Law no. 24/2017 on issuers of financial instruments and market operations, republished and of the secondary legislation adopted by the Financial Supervisory Authority ("FSA") for the implementation of Law no. 24/2017, of the Bucharest Stock Exchange Code ("BSE") and the BSE Corporate Governance Code ("Applicable Legislation"), as well as in accordance with the provisions of MedLife's Articles of Association in force and the applicable internal regulations. MedLife's Corporate Governance Statute was adopted by the Board of Directors ("BoD") of the Company in March 2017.

MedLife aligns itself with the requirements of the capital market and the best practices in the field of corporate governance by constantly developing and adapting the corporate governance model, in order to create opportunities and increase the degree of competitiveness. All holders of financial instruments benefit from equal treatment, the Company ensuring efficient, active and transparent communication with its shareholders through regulated communication channels (BSE platform, FSA platform), but also by publishing all relevant documents on its own website: <https://www.medlife.ro/investor-relations>.

The Company has also implemented procedures that regulate the company's governance, which it constantly updates, in accordance with the provisions of the BSE Corporate Governance Code. These can be consulted on the MedLife website, in the *Investor Relations – Corporate Governance – Corporate Governance Documents* section, respectively:

- The procedure for organizing and conducting General Shareholders Meetings („GSM”), which:
  - facilitates shareholders' participation in the GSM and the exercise of their rights, including participation by representation or by correspondence;
  - indicates the set of documents that will be made available to shareholders for each GSM, including but not limited to informative materials regarding the items on the agenda of the GSM;
  - exhaustively presents shareholders' rights in relation to the GSM;
- presents the voting procedure in the GSM;
- Code of Ethics and Conduct;
- Social responsibility code;
- Forecasting policy;
- Corporate Governance Statute;
- Operating Regulations of the Audit Committee;
- Dividend Policy;
- Remuneration Policy;
- Whistleblower Protection Policy in the Public Interest;
- Investor communication policy;
- Sustainability policy,

documents referred to in the Statement of Compliance with the Corporate Governance Code.

The Group monitors environmental, social and human resources policies through existing corporate governance procedures. Responsibility has been delegated by the Board of Directors to the management team specific to each existing department.

## General Shareholders Meeting

The supreme governing body of MedLife is the General Meeting of Shareholders ("GSM"). The powers of the ordinary and extraordinary GSM are provided for in the Articles of Association and the Applicable Legislation. The GSM is organized and held in accordance with the relevant provisions of the Applicable Legislation, the Articles of Association and the Procedure for organizing and holding general shareholders meetings of MedLife.

The Ordinary General Meeting of Shareholders ("OGSM ") meets at least once a year, no later than four months after the end of the financial year. Except for this case, the Ordinary General Meeting of

Shareholders and the Extraordinary General Meeting of Shareholders ("EGSM ") meet whenever necessary, being convened by the Board of Directors of the Company. The GSM may also be convened by shareholders who hold individually or jointly at least 5% of the share capital. In this case, the GSM will be convened by the Board of Directors within a maximum of 30 days and will meet within a maximum of 60 days from the date of receipt of the request.

### **Shareholders' rights**

The rights of all MedLife shareholders are protected in accordance with applicable law. Shareholders also have the right to obtain information regarding the Company's activity, the exercise of voting rights and the results of voting at the GSM. Shareholders' rights in relation to the GSM are:

#### **The right to a minimum notice period**

The Company publishes information about a future Shareholders' Meeting in the Official Gazette of Romania and in a national newspaper, through the GSM Notice, at least 30 days before the date of the GSM. At the same time, the convocation is transmitted to the Financial Supervisory Authority and to the Bucharest Stock Exchange in the form of a current report, according to the regulations in force and is published on the Company's website, within the "Investor Relations" section.

#### **The right of access to information**

MedLife publishes the necessary documents and information on its website to ensure that all shareholders are treated equally, in order to exercise their rights in a fair manner.

#### **The right to introduce items on the agenda**

MedLife shareholders who individually or together with other shareholders represent at least 5% of the share capital may request the addition of additional items to the agenda within the limits and in accordance with the provisions of applicable law.

#### **The right to participate in the GSMs**

Shareholders registered in the shareholders' register on the reference date provided for in the GSM Notice have the right to participate in person or by proxy in the General Meetings of Shareholders of the Company.

#### **Voting rights**

The Company's share capital is represented by ordinary shares which confer one voting right for each share registered in the shareholder's name on the reference date, with the exception of treasury shares held by MedLife on the reference date as a result of repurchases made under the repurchase programs. Therefore, there are no shares conferring the right to more than one vote.

#### **The right to ask questions**

Any shareholder of the Company may submit written questions regarding the items on the agenda of the General Meeting of Shareholders and has the right to receive answers from MedLife. Shareholders have the right to effectively participate and vote at the GSM and to be informed of the rules, including voting procedures, governing the GSM.

### **The Company's Governing bodies**

MedLife is managed in a unitary system by the Board of Directors, consisting of 7 members appointed by the Ordinary General Meeting of Shareholders for a term of 4 years, with the possibility of re-election. Of the 7 members of the MedLife Board of Directors, 3 members are independent members. The Board of Directors is responsible for the management of MedLife, acting in the interest of the company and protecting the general interests of its shareholders by ensuring the sustainable development of the Company. According to the Articles of Association, the Board of Directors is responsible for all useful and necessary acts in order to fulfill the object of activity of MedLife, including regarding the administration of MedLife subsidiaries or investments, with the exception of the duties that are assigned by law to the General Meeting of Shareholders.

The Board of Directors meets whenever necessary, but at least once every 3 months. In 2024, the Board of Directors had 15 meetings.

#### **Board of Directors**

During 2024, the Company's supervisory activity was ensured by 2 Boards of Directors, which carried out their activity in successive periods, according to the mandates granted by the Company's shareholders during the Ordinary General Meetings of Shareholders regarding the appointment of Board members.

Thus, during the period January 1 - December 21, the mandate of the Board members was carried out in accordance with the OGMS Decision no. 1 / December 15, 2020, when the seven members were elected for a 4-year mandate.



Starting with December 22, 2024, the mandate of the Board members is carried out in accordance with the OGMS Decision no. 1 / November 21, 2024, for a period of 4 years, with no changes in the composition of the Board members compared to the previous mandate.

As of December 31, 2024, the composition of the Board of Directors was as follows:

#### **Mihail Marcu (1970) - Chairman of the Board of Directors**



Mihail Marcu has been the Chairman of the Board of Directors of MedLife since August 2006 and General Manager since December 2016. He graduated from the University of Bucharest, Faculty of Mathematics and Informatics (1995) and a series of post-graduate studies and specialization courses at the Romanian Banking Institute, the Open University, DC Gardner training or Codecs, both in Romania and abroad. Between January 2004 and August 2006, he was General Manager of MedLife, and previously held the position of Vice-President of RoBank S.A. (subsequently acquired by OTP Bank Romania S.A., currently part of the Banca Transilvania Group), being authorized in this capacity by the National Bank of Romania. Previously, Mr. Marcu held various positions at Credit Bank Romania S.A., respectively RoBank S.A., including credit inspector, head of credit service, director of the credit department and director of the corporate department. Mihail Marcu is also the founder of the Romanian Business Leaders Foundation, a community of Romanian entrepreneurs, managers and professionals from various fields.

#### **Nicolae Marcu (1968) – Member of the Board of Directors**



Nicolae Marcu is a member of the Board of Directors of MedLife and Director of Health and Operations of MedLife since December 2016. He is a graduate of the Carol Davila University of Medicine and Pharmacy in Bucharest, Faculty of Medicine (1996), and since 2000 he has been a doctor in psychiatry. He has also completed a series of post-graduate studies in the field of psychiatry in the country and abroad. Between August 2006 and December 2016, Nicolae was General Director of MedLife, and before joining the MedLife team, he was a specialist in psychiatry, within the Clinical Hospital of Psychiatry "Dr. Al Obregia".

#### **Dorin Preda (1976) – Member of the Board of Directors**



Dorin Preda has been a member of the Board of Directors of MedLife since 2008. He is a graduate of the Academy of Economic Studies, Bucharest, Faculty of Finance, Insurance, Banking and Stock Exchanges (1998). Prior to joining MedLife, Dorin Preda held the position of CEO at Asilife Insurance Broker S.R.L. (2007-2008), branch manager at HVB –Tiriac Bank S.A. (2006-2007), HVB Bank S.A. (2005-2006), Banca Comerciala Ion Tiriac (2004-2005) and Banca Comerciala RoBank S.A. (2003-2004). He also held the position of Director of the Loans and Marketing Department at Banca Comerciala RoBank S.A. (2001-2002), credit analyst within the same bank (2000-2001) and director of the Loans Department within Banca Dacia Felix S.A. (1999-2000).

#### **Dimitrie Pelinescu-Onciul (1947) - Member of the Board of Directors**



Dimitrie Pelinescu-Onciul has been a member of the Board of Directors of MedLife since 2008. He graduated from the Carol Davila University of Medicine and Pharmacy in Bucharest, Faculty of Medicine (1972), specializing in obstetrics and gynecology (residency 1978-1981), Doctor of Medical Sciences since 1994 and University Professor since 2007. Dimitrie Pelinescu-Onciul is a member of 11 scientific societies in Romania and 7 scientific societies abroad, holding, among others, the position of president of the Romanian Association of Perinatal Medicine (2006-2008) and founding president of the Romanian Society of Ultrasound in Obstetrics and Gynecology from 2011 to the present. Before joining the MedLife team in 2004, he worked at the Filantropia Clinical Hospital, Bucharest (1994-2004), Titan Clinical Hospital, Bucharest (1986-1991), Brancovenesc Clinical Hospital (1978-1986) and the Sinesti Rural Hospital, Valcea County (1972-1978), holding the positions of primary obstetrics-gynecology physician, head of clinic or hospital director.





#### **Ana Maria Mihaescu (1955) – Member of the Board of Directors**

Ana Maria Mihaescu has been a member of the Board of Directors of MedLife since September 2017. For 20 years, Ms. Mihăescu led the mission of the International Finance Corporation (“IFC”) in Romania, a division of the World Bank and the largest financier of the private sector in emerging countries. Between 2011 and 2016, Ana Maria Mihăescu had a decision-making role regarding IFC projects in several European countries, including Romania. She previously held top management positions in the banking sector. Between 2016 and 2023, she was part of the Supervisory Board of Raiffeisen Bank, holding the position of independent member, and currently serves as an independent member of the Board of Directors of Purcari Wineries.



#### **Voicu Cheta (1981) – Member of the Board of Directors**

Mr. Cheta has been a member of the Board of Directors of MedLife since December 2020. He is a lawyer at the Bucharest Bar with over 16 years of legal experience. His specialized practice covers various areas such as high-value commercial litigation, commercial arbitration, insolvency and restructuring, labor relations, public procurement, administrative litigation, debt recovery and corporate law. In the legal consultancy and representation before courts and arbitration courts, he has acquired an overview and proven skills in approaching commercial legal relations in a manner that ensures their correlation with the needs of the economic activity.



#### **Ovidiu Fer (1983) - Member of the Board of Directors**

Mr. Fer has been a member of the Board of Directors of MedLife since December 2020. He is a graduate of the Bucharest Academy of Economic Studies, Faculty of Finance, Insurance, Banking and Stock Exchanges (2006) and holds an MBA from INSEAD (2014). In 2016, Ovidiu Fer founded the regional investment fund Alpha Quest, as a founding member and is also a member of the Advisory Board of GapMinder VC Fund (since 2018). Previously, he was a member of the Investment Committee of IJC Funds (2014-2016) and held the position of external advisor of Elliott Advisors (2013-2014). He also held the position of equity analyst, frontier markets expert and country manager at Wood&Company, in the period 2007-2013 and was a financial analyst for KTD Invest (2005-2007).

<b>Name</b>	<b>Title</b>	<b>Date of appointment</b>	<b>Termination date</b>
<b>Mihail Marcu</b>	Chairman of the Board of Directors, Executive Board member	22.12.2024	21.12.2028
<b>Ana Maria Mihaescu</b>	Independent Board member	22.12.2024	21.12.2028
<b>Dimitrie Pelinescu-Onciul</b>	Board member	22.12.2024	21.12.2028
<b>Dorin Preda</b>	Executive Board member	22.12.2024	21.12.2028
<b>Nicolae Marcu</b>	Executive Board member	22.12.2024	21.12.2028
<b>Voicu Cheța</b>	Independent Board member	22.12.2024	21.12.2028
<b>Ovidiu Fer</b>	Independent Board member	22.12.2024	21.12.2028

As of December 31, 2024, the situation of the members of the Board of Directors holding MedLife shares was as follows:

<b>Name</b>	<b>Title</b>	<b>Number of shares held</b>	<b>Percentage of ownership</b>
<b>Mihail Marcu</b>	Chairman of the Board of Directors, Executive Board member	72,944,828	13.72%
<b>Nicolae Marcu</b>	Executive Board member	54,631,600	10.28%
<b>Dimitrie Pelinescu-Onciul</b>	Board member	71,380	0.01%

According to the available information, there is no agreement, understanding or family relationship between the company's administrators and any other person who contributed to their appointment as administrator.

According to the information available, the members of the Board of Directors have not been involved in litigation or administrative proceedings related to their activity within the company in the last five years, nor regarding their ability to perform their duties within the company, in the last five years.

### **Advisory committees**

According to the Articles of Association, the Board of Directors may establish advisory committees consisting of at least 2 members of the Board of Directors, which may formulate recommendations for the Board of Directors in various fields.

#### **Audit Committee**

The Audit Committee is composed of 3 non-executive members of the Board of Directors, having, mainly, the following responsibilities:

- to examine and review the annual financial statements and the profit distribution proposal;
- to conduct annual assessments of the internal control system;
- to assess the effectiveness of the internal control system and the risk management system;
- to monitor the application of legal standards and generally accepted internal audit standards;
- to assess conflicts of interest in transactions with affiliated parties;
- to analyze and review transactions with affiliated parties that exceed or may be expected to exceed 5% of the company's net assets in the previous financial year;
- to make recommendations to the Board of Directors.

Audit Committee composition as of December 31, 2024:

<b>Name</b>	<b>Title</b>
<b>Ana Maria Mihaescu</b>	Independent Board member, Chairman of the Audit Committee
<b>Voicu Cheta</b>	Independent Board member
<b>Ovidiu Fer</b>	Independent Board member

In 2024, 6 Audit Committee meetings were held.

#### **Remuneration Committee**

The Remuneration Committee is composed of 3 non-executive members of the Board of Directors, having, mainly, the following responsibilities:

- is responsible for making decisions regarding the remuneration of the members of the Executive Committee and the other non-executive directors of the company, according to the decision of the Board of Directors. In making such decisions, the Remuneration Committee must take into account the long-term interests of shareholders, investors and other participants in the activity of Med Life S.A.;
- implementation of the Board of Directors' Decisions that fall within the scope of the committee's activity.

Composition of the Remuneration Committee as of December 31, 2024:

<b>Name</b>	<b>Title</b>
<b>Voicu Cheta</b>	Independent Board member, Chairman of the Remuneration Committee
<b>Ana Maria Mihaescu</b>	Independent Board member
<b>Dimitrie Pelinescu-Onciul</b>	Board member

In 2024, 2 meetings of the Remuneration Committee were held.

### **Executive Committee**

The Board of Directors has delegated the management of MedLife to its directors, and the delimitation of the powers between the Board of Directors and the directors of the Company, including the thresholds of competence for the legal acts concluded by the Company, is included in the internal regulations of the Board of Directors.

According to the Articles of Association, the Board of Directors appoints a maximum of 10 directors, for a period of 4 years, and decides by regulation or decision on the powers and duties of the directors. The

Directors are generally responsible for the day-to-day conduct of MedLife's business within the limits established by the Board of Directors, the Articles of Association and Applicable Legislation.

The decisions that require a decision of the Executive Committee, the decisions that can be taken by a director and the method of organization and functioning of the Executive Committee are established by the regulation of organization and functioning of the Executive Committee approved by the Board of Directors.

During 2024, the executive management of the Company was ensured by 2 Executive Committees, which carried out their activity in successive periods, having different members and composition.

Thus, during the period January 1 – October 21, the Executive Committee was formed by 10 members, responsible for the management of the business lines and central units. The composition of this Committee was as follows:

Name	Title	Date of appointment	Termination date
<b>Mihail Marcu</b>	General Manager	01.04.2017	21.10.2024
<b>Nicolae Marcu</b>	Director of Health and Operations	03.04.2017	21.10.2024
<b>Dorin Preda</b>	Finance and Treasury Director	03.04.2017	21.10.2024
<b>Alina Irinoiu</b>	Chief Financial Officer	20.09.2022	21.10.2024
<b>Radu Petrescu</b>	Human Resources Director	13.09.2017	21.10.2024
<b>Marius Petrila</b>	IT Director	12.04.2021	21.10.2024
<b>Mariana Brates</b>	Procurement Director	03.04.2017	21.10.2024
<b>Larisa Chirirac</b>	Medical Director	02.05.2018	21.10.2024
<b>Vera Firu</b>	Economic Director	03.04.2017	21.10.2024
<b>Mirela Dogaru</b>	Commercial Director	03.04.2017	21.10.2024

Following the expiration of the terms of office of the members of the Executive Committee on October 21, 2024, the Board of Directors of the Company decided to extend the terms of office for the following members, starting with October 21, 2024, until October 20, 2028:

- Mr. Mihail Marcu as General Manager;
- Mr. Nicolae Marcu as Director of Health and Operations;
- Mr. Dorin Preda as Deputy General Manager;
- Ms. Oana-Alina Irinoiu, as Chief Financial Officer.

Thus, the new Executive Committee was reduced from 10 to 5 members, with 4 appointed members and one position remaining vacant.



#### **Alina-Oana Irinoiu (1993) – Chief Financial Officer**

Alina Irinoiu is the Chief Financial Officer of MedLife Group and a member of the Executive Committee since October 2022. A graduate of the Bucharest Academy of Economic Studies, Faculty of International Economic Relations, Alina started her activity within the company in 2018, holding the position of Investor Relations Manager for four years. At the same time, she coordinated the M&A department for the implementation of small and medium-sized transactions, holding the position of Deputy Chief Financial Officer for a short period. Before joining the MedLife team, she worked in the field of financial audit for financial institutions, within PricewaterhouseCoopers (PWC).

According to the information held by MedLife, there was no contract, agreement or family relationship between the directors of the company and any other person that contributed to their appointment as directors.

Also, the members of the Executive Committee listed in this chapter have not been involved in litigation or administrative proceedings related to their activity within the company or their ability to perform their duties within the company, in the last five years.

## **Operational Management (Operational Executive Committee)**

The Company's management is structured on two pillars. Operational management is ensured by the Operational Executive Committee, the management structure responsible for implementing the Company's strategy and ensuring the efficient functioning of all departments. It operates under the leadership of the Executive Committee and is composed of:

- **Laboratory Division Director** – coordinates the activity of medical laboratories, ensures compliance with quality standards and operational efficiency.
- **Procurement Director** – manages purchases and stocks, ensuring the continuity of supply of medical equipment and materials.
- **Medical Director** – supervises the quality of the medical act and compliance with treatment protocols.
- **Human Resources Director** – manages recruitment, professional development and human resources policy.
- **Economic Director** – coordinates the company's financial and accounting activity, ensures compliance with tax legislation, supervises the preparation of balance sheets, manages cash flows.
- **Corporate Division Director** – develops relationships with corporate clients and coordinates contracts with business partners.
- **IT Director** – ensures the functioning of the IT infrastructure and the development of digital solutions to streamline activities.
- **Development Director** – deals with the company's expansion and identifying growth opportunities.
- **Clinics Division Director** – coordinates the activity of medical clinics, ensuring high standards of patient care.
- **Business Intelligence Manager** – analyzes business data and provides decision-making support through strategic reports and forecasts.

The **extended Executive Operational Committee**, which ensures the efficient integration of all functions to provide quality medical services and support the development of the company, is formed by a team of senior managers operating under the leadership of the Executive Operational Committee. This body includes the functional managers of the support departments and the managers of the MedLife sub-groups.

In addition to operational management, the Group implements a medical management system with the main objective of quality assurance and medical risk management. Medical management at Group level is ensured by the Group Medical Director, who reports to the Director of Health and Operations. Medical managers or coordinators established at unit level meet periodically to review patient cases, identify current and future medical issues, and plan medical resources. Each medical unit has a medical coordinator, and, within complex hospital structures, the medical management structure includes a Medical Director, a Medical Council and an Ethics Council. The implementation of new medical procedures or changes to existing protocols is usually subject to the approval of the medical management groups.

## **Internal Control – Internal Audit function**

MedLife has implemented an internal control system applicable to the entire Group. Internal control is an objective and independent assessment activity, with a consultative purpose, carried out in order to supplement the added value and improve the activity within the Group.

Internal control supports the Group in achieving the objectives set through a systematic and disciplined approach, the target of which is the assessment and improvement of the efficiency of risk management, control systems and general management.

### **Objectives of internal control and audit:**

- analyzing and assessing the accuracy of the tasks performed;
- analyzing the company's compliance with internal procedures;
- detecting cases of lack of economic spirit, cases of waste, abuses and other irregularities, indicating the persons/positions responsible for them;
- presenting to the Board of Directors objective information from the scope covered by the control and submitting proposals to eliminate the irregularities found and monitoring their implementation;
- providing analyses, evaluations and recommendations for the Board of Directors.

### **Internal control oversees:**

- compliance with current legislation;
- implementation of decisions made by the company's management;
- the proper functioning of internal activity;
- efficient use of resources;
- prevention and control of risks that may prevent the achievement of set objectives;
- ensuring accounting management and financial monitoring of the Group's activities.

### **Internal control applies:**

- prior to the implementation of operations, during the budget preparation, which allows, after the implementation of operations, budgetary control;

- during operations, but also after their completion, in which case the profitability of operations is analyzed and the existence of

compliance or possible anomalies that need to be corrected is noted.

## **MEDLIFE ON THE CAPITAL MARKET**

### **Share Capital**

#### **Subscribed and paid-up share capital**

In nominal terms, the issued share capital consists of 531,481,968 ordinary shares as of December 31, 2024 (December 31, 2023: 531,481,968) with a nominal value of RON 0.25 per share. Holders of ordinary shares are entitled to one vote for each share held in the general shareholders meetings of MedLife, except for treasury shares repurchased by the Company under share buyback programs. All shares are equal and confer equal rights on the net assets of the Company, except for treasury shares repurchased.

#### **Evolution of the Company's share capital**

During the period 2013-2016, there were no changes in the Company's share capital.

On November 11, 2016, the registration with the Trade Register of the division of the nominal value of the shares issued by the Company from 10 RON/share to 0.25 RON/share was completed, based on the decision of the Extraordinary General Meeting of Shareholders of the Company adopted on November 1, 2016. As a result of the division of the nominal value, the number of shares issued by the Company changed from 502,300 shares to 20,092,000 shares. Thus, the Company's share capital became 5,023,000 RON, divided into 20,092,000 shares, each share having a nominal value of 0.25 RON.

On December 19, 2017, the capital increase process through additional share issuance was completed. Thus, 753,082 shares were subscribed as a result of the exercise of the preemptive right of shareholders registered in the shareholders' register on October 27, 2017. To these were added 1.3 million shares offered as part of a private placement. The registration date of the newly issued shares was January 11, 2018. Thus, the Company's share capital became RON 5,536,270.5, divided into 22,145,082 shares, each share having a nominal value of RON 0.25.

On February 15, 2021, the effects of the increase in the company's share capital by RON 27,681,352.50, from RON 5,536,270.5 to RON 33,217,623, were processed, by issuing a number of 110,725,410 new shares with a nominal value of RON 0.25 per share, according

#### **Buy-back program**

During 2024, the share buyback program approved by EGMS Decision No. 1 of August 3, 2023 was carried out. The buyback program was carried out in accordance with the applicable regulations on buyback programs, namely Article 5 of EU Regulation 596/2014 on market abuse and Delegated Regulation (EU) 2016/1052.

to the Decision of the Extraordinary General Meeting of Shareholders of December 15, 2020. The share capital increase was achieved by incorporating the share premiums, and the newly issued shares (5 for 1) were allocated without monetary compensation to all shareholders registered in the Company's shareholders' register on January 4, 2021 (Registration Date). The total number of ordinary shares issued by the Company after the share capital increase thus became 132,870,492.

In accordance with the Decision of the Extraordinary General Meeting of Shareholders of the Company dated August 3, 2023, the share capital of the Company was increased by RON 99,652,869, from RON 33,217,623 to RON 132,870,492, by issuing a number of 398,611,476 new shares with a nominal value of RON 0.25 per share by incorporating the share premium and the retained earnings, and the newly issued shares were allocated free of charge to the shareholders of the Company registered in the shareholders' register held by Depozitarul Central S.A. on September 5, 2023 ("Registration Date"). Each shareholder registered in the shareholders' register on the Registration Date received free of charge 3 (three) newly issued shares for each share held on the Registration Date. The newly issued shares are registered, dematerialized shares, admitted to trading on the Main segment, Premium category of the Bucharest Stock Exchange. The total number of ordinary shares issued by the Company after the share capital increase is 531,481,968.

The program was launched on September 28, 2023 and aimed to acquire a number of own shares whose total nominal value is equal to a maximum of 10% of the Company's subscribed share capital as of the date of the buyback, at a price per share (i) at least equal to the market price of a share on the BVB at the time of the purchase and (ii) at most equal to the higher of the price of the last independent transaction and



the highest price at that time of the purchase offer on the BVB.

The shares acquired under this buyback program will be offered to employees and members of the Company's management, former or current members of the management or former or current employees of some of the Company's subsidiaries and/or will be offered in exchange for shares/shares held in the Company's subsidiaries by former or current members of the

management or former or current employees of some of the Company's subsidiaries.

The buyback program was authorized for a maximum period of 18 months from the date of publication of the EGMS Decision of August 3, 2023 in the Official Gazette of Romania, respectively August 30, 2023. Thus, on March 3, 2025, the Company announced through a current report issued through the BVB and its own website, the completion of the buyback program.

The program, carried out through BT Capital Partners S.A. which provided intermediation services, had the following results:

	2025	2024	2023
Number of shares repurchased	0	264,058	20.000
Average buy-back share price (RON / share)	-	4.0752	4.3275
Total price paid for the repurchased shares, excluding brokerage fees and other acquisition costs (RON)		1.162.646,70	

## Evolution of shares on the Bucharest Stock Exchange

In December 2016, following the ASF approval of the initial public offering (IPO) prospectus, MedLife was admitted to trading on the main segment, the Premium category, at a share price of RON 26, under the symbol "M".

MedLife shares are included in several BVB indices, including the BET index - the Romanian capital market benchmark index, which reflects the evolution of the most traded companies on the BVB regulated market. MedLife shares are also included in the emerging and frontier market indices of the global index providers FTSE Russell and MSCI, respectively FTSE Global All Cap, MSCI Frontier IMI and MSCI Romania IMI.

During the period January 1 - December 31, 2024, MedLife shares traded between a minimum price of RON 3.84/share and a maximum price of RON 6.25/share.

The total volume traded in 2024 was 52,379,232 shares, totaling 265,853,224.70 RON, representing an average daily turnover of 209,517 shares, respectively 1,063,413 RON.

As of December 31, 2024, MedLife's capitalization was 3,082,595,414 RON.





### **MedLife's activity from an Investor Relations perspective**

The Investor Relations Department and the Company's management team constantly participate in a series of events dedicated to Romanian and foreign investors and financial analysts - national and international conferences, individual and group meetings, online or in physical format, teleconferences, to present the MedLife Group, its operational and financial results, its strategy and perspectives.

Every year, MedLife organizes four teleconferences to present the Group's financial and operational results: annual, quarterly and semi-annual. The organization of these teleconferences is announced through current reports issued and disseminated both through its own website and at the Bucharest Stock Exchange, and participation can be done by requesting login details. Subsequently, the transcript of these conferences is available on the MedLife website, on the page dedicated to Investor Relations, in the Reports and Presentations - > Financial Reports section.

During 2024, MedLife representatives met with 120 investors and financial analysts and participated in the following conferences organized in physical format, addressed to financial analysts and institutional investors from Romania and abroad:

- Raiffeisen Bank International Investor Conference in Züri;
- WOOD Frontier Investor Day in London;
- TradeVille Quarterly Report, Bucharest;
- WOOD Romania Investor Days in Bucharest;
- InterCapital Romania Investor Days in Zagreb;
- Wood's Winter Wonderland EMEA Conference in Prague.

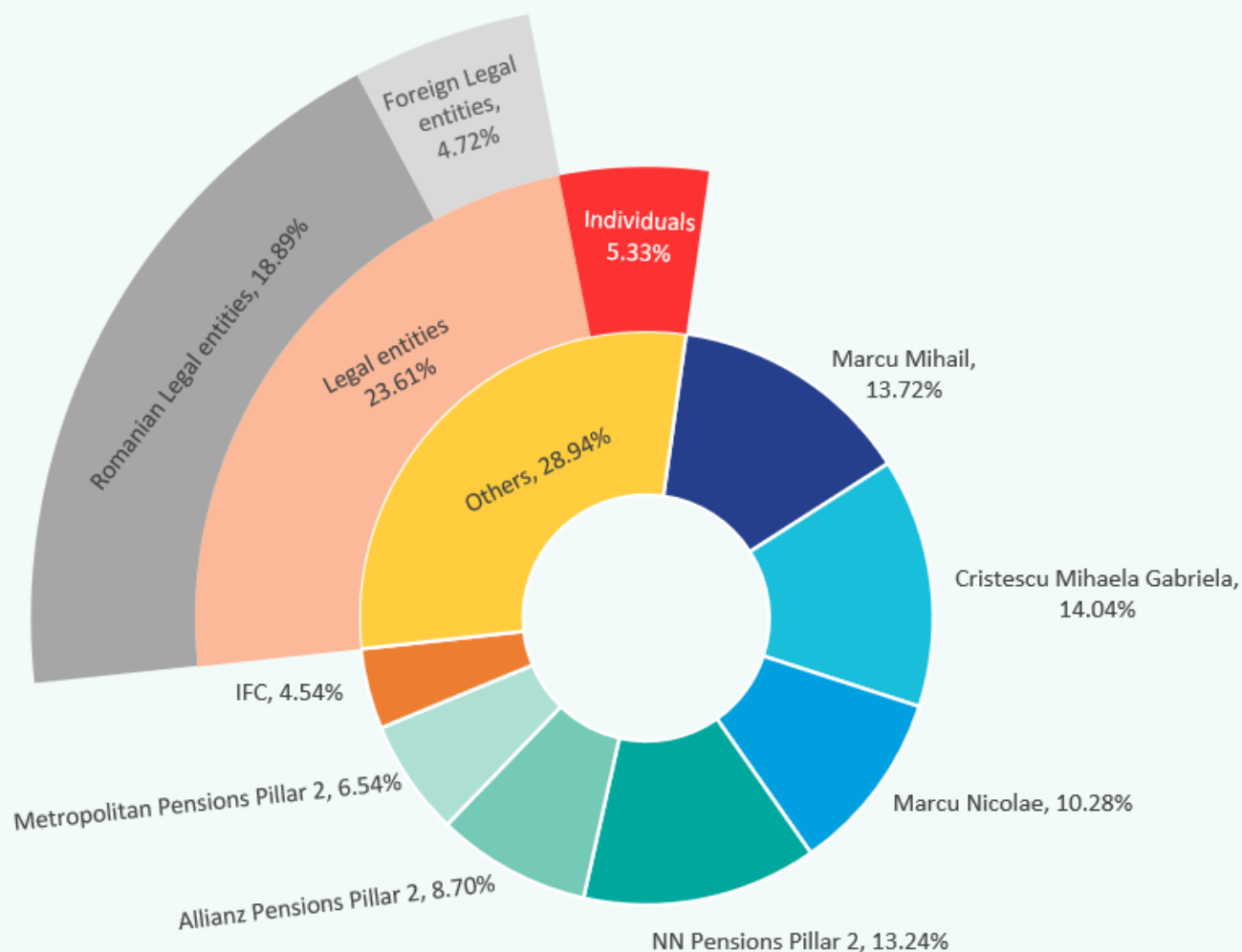
### **Evaluation according to the VEKTOR indicator - Romanian Investor Relations Association ("ARIR")**

VEKTOR by ARIR is an indicator that evaluates the efficiency of investor communication of companies listed on the BVB, an indicator calculated by ARIR according to a methodology comprising 10 criteria, which evaluate aspects related to transparency, proactive communication with investors and corporate governance developed, in collaboration with a series of capital markets professionals and audited by Forvis Mazars. In 2024, for the third consecutive year, MedLife obtained the maximum score in this assessment, namely a score of 10.

Thus, MedLife is positioned in the top of companies listed on the BVB that comply with the best practices regarding transparency, corporate governance and investor communication, indicating a constant concern for attracting and retaining shareholders.

## Shareholder structure

As of December 31, 2024, the shareholding structure of Med Life S.A. was as follows:



Shareholder	Number of shares	% Share capital
Cristescu Mihaela Gabriela	74,642,760	14.0443%
Marcu Mihail	72,944,828	13.7248%
Privately managed Pension Fund NN	70,356,940	13.2379%
Marcu Nicolae	54,631,600	10.2791%
Privately managed Pension Fund AZT Viitorul Tau (Allianz Tiriace)	46,219,200	8.6963%
Privately managed Pension Fund Metropolitan Life	34,763,991	6.5410%
International Finance Corporation (IFC)	24,110,400	4.5364%
Other Legal Entities	125,066,423	23.5316%
Med Life S.A.	427,042	0.0803%
Other Individuals	28,318,784	5.3283%
<b>Total</b>	<b>531,481,968</b>	<b>100.0000%</b>

## FINANCIAL ANALYSIS FOR MEDLIFE GROUP

The following discussion of the financial position and operating results of the Group as at and for the years ended 31 December 2023 and 2024 should be read in conjunction with the Financial Statements and information relating to the Group's activities included in other sections of this Administrators' Report. The financial information selected in this section has been extracted from the Financial Statements, in each case without material adjustments, unless otherwise stated. Investors should read this Administrators' Report in conjunction with the Financial Statements and other reports issued by the Group and should not rely solely on the information presented in summary form. The following table sets out the consolidated statement of profit or loss and comprehensive income of the Group for the years ended 31 December 2024 and 2023, respectively.

	12 months ended December 31,		Variation
	2024	2023	
Revenue from contracts with customers	2,715,574,711	2,210,435,349	22.9%
Other operating income	8,850,263	11,300,635	-21.7%
<b>OPERATING INCOME</b>	<b>2,724,424,974</b>	<b>2,221,735,984</b>	<b>22.6%</b>
Consumable materials and repair materials	(499,578,757)	(389,887,326)	28.1%
Third party expenses	(765,622,489)	(625,309,108)	22.4%
Salary and related expenses	(645,609,836)	(543,024,486)	18.9%
Social contributions	(23,853,508)	(19,480,725)	22.4%
Depreciation, amortization and impairment of fixed assets	(254,592,721)	(197,390,915)	29.0%
Impairment losses and gains (including reversals of impairment losses)	(6,475,319)	(2,688,649)	140.8%
Commodities expenses	(226,208,593)	(208,134,799)	8.7%
Other operating expenses	(162,075,380)	(144,302,612)	12.3%
<b>OPERATING EXPENSES</b>	<b>(2,584,016,603)</b>	<b>(2,130,218,620)</b>	<b>21.3%</b>
<b>OPERATING PROFIT</b>	<b>140,408,371</b>	<b>91,517,364</b>	<b>53.4%</b>
Finance cost	(102,630,990)	(82,170,695)	24.9%
Interest income	2,175,920	3,423,077	-36.4%
Other financial income	462,070	1,221,841	-62.2%
Other financial expenses	(1,346,241)	(9,692,103)	-86.1%
<b>FINANCIAL RESULT</b>	<b>(101,339,241)</b>	<b>(87,217,880)</b>	<b>16.2%</b>
<b>PROFIT BEFORE TAX</b>	<b>39,069,130</b>	<b>4,299,484</b>	<b>808.7%</b>
Income tax expense	(22,316,702)	(8,464,341)	163.7%
<b>NET PROFIT</b>	<b>16,752,428</b>	<b>(4,164,857)</b>	<b>502.2%</b>
Owners of the Group	25,035,987	3,684,292	579.5%
Non-controlling interests	(8,283,560)	(7,849,149)	5.5%
<b>Earnings per share</b>			
Basic earnings per share	0.047	0.007	
Diluted earnings per share	0.047	0.007	
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>16,752,428</b>	<b>(4,164,857)</b>	<b>502.2%</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the Group	25,035,987	3,684,292	579.5%
Non-controlling interests	(8,283,560)	(7,849,149)	5.5%

## Overview of the Group's sales streams

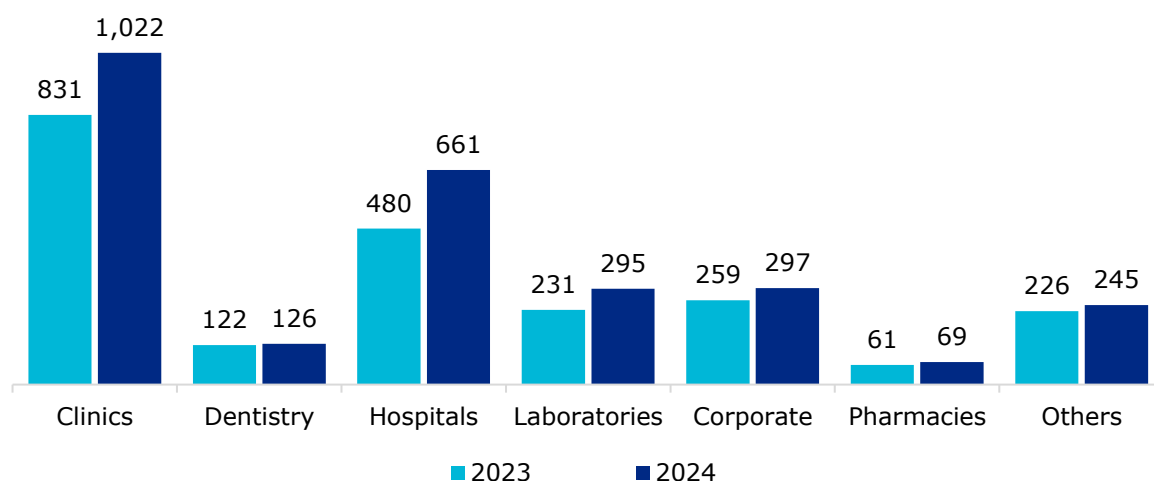
The Group's main activities are carried out through six business lines, which offer a balanced portfolio of activities, covering all key segments of the private healthcare market.

The turnover of the financial year 2024 amounted to RON 2,715,574,711, an increase compared to the turnover obtained in the financial year 2023 by RON 505,139,362, respectively 22.9%.

The increase was mainly due to growth across all lines of activity of the Group, as a result of the acquisitions and organic growth projects completed by the Group in 2023 and 2024 as well as the robust demand for medical services in the Group's units.

Business line	12 months 2024 Sales	% of Total Sales	12 months 2023 Sales	% of Total Sales	Variation
Clinics	1,022,354,056	37.6%	831,236,066	37.6%	23.0%
Dentistry	125,518,088	4.6%	121,778,348	5.5%	3.1%
Hospitals	661,486,735	24.4%	480,454,826	21.7%	37.7%
Laboratories	295,352,374	10.9%	230,656,316	10.4%	28.0%
Corporate	296,968,035	10.9%	259,493,546	11.7%	14.4%
Pharmacies	69,239,459	2.5%	60,709,968	2.7%	14.0%
Others	244,655,964	9.0%	226,106,278	10.2%	8.2%
<b>Total</b>	<b>2,715,574,711</b>	<b>100%</b>	<b>2,210,435,348</b>	<b>100%</b>	<b>22.9%</b>

### Turnover evolution

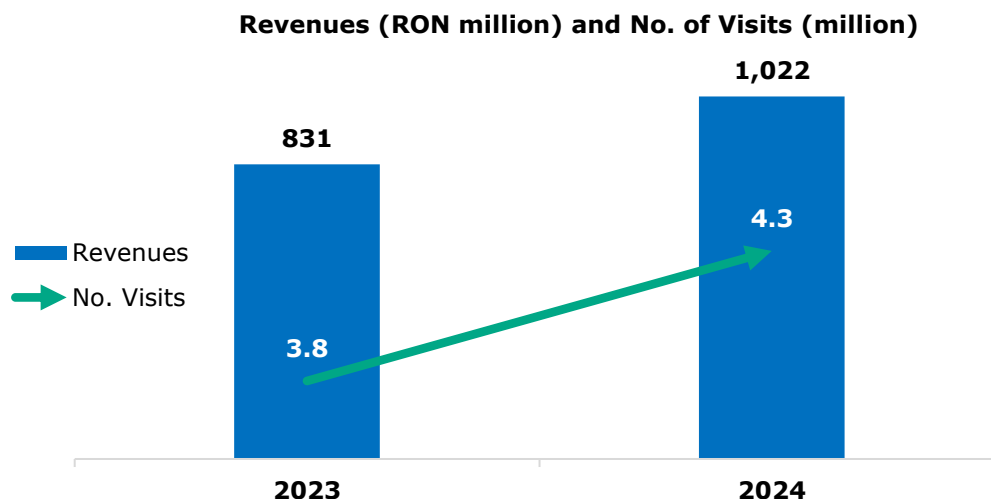


### Business model independent of NHIH funding

The Group's business and revenue model is based on the purchasing power of companies and individuals regarding medical services, while the state contribution through NHIH represents a supplement, and not the core income of MedLife's activities. In 2024, 58% of the Group's revenues came from individuals and 18% from legal entities. In the same period, 32% of the Group's sales came from the treatment of patients insured by NHIH, thus allowing the Group to independently determine its policies and priorities.

### Clinics

The core of the Group's operations is its network of outpatient clinics in Romania. The business line consists of a network of 109 units, which offer a wide range of outpatient services covering a wide range of medical specialties. The Group's imaging services provided to clients other than hospitalized patients are also part of the Clinics business line.



The revenues of the Clinics business line increased in 2024 by RON 191,117,990, or 23.0%, from RON 831,236,066 in 2023 to RON 1,022,354,056 in 2024. The increase was driven by the sustained demand for outpatient medical services and new acquisitions made in 2024, as well as by price increases. The average price per visit increased by 8.8%, from 216.8 RON/visit in 2023 to 235.9 RON/visit in 2024. In terms of the number of visits, there was a 13% increase compared to the previous year, from 3,834,062 visits in 2023 to 4,334,340 visits in 2024.

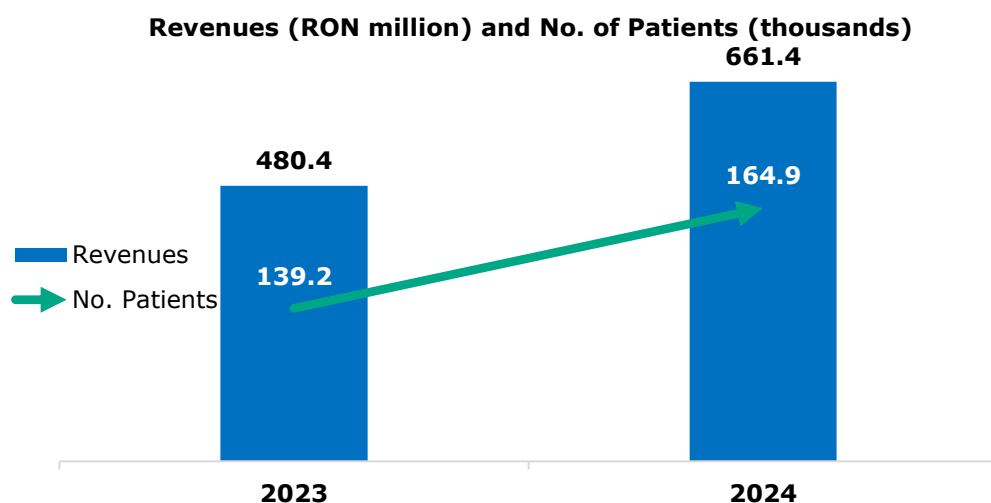
Business line sales do not reflect sales of services provided to HPP patients as part of prevention packages (these being recorded in the Corporate business line), but include sales paid on a fee-for-service (FFS) basis in the HPP Patient Group clinics.

The Clinics business line derives revenue predominantly from FFS clients. Treatment of patients insured by the state through NHIH, mainly with reference to diagnostic imaging, radiotherapy and chemotherapy services (Neolife Group being consolidated on the Clinics business line), constituted 39.7% in 2023, respectively 46.9% in 2024 of the sales of the business line.

## Hospitals

MedLife created the Hospitals business line to complement the clinics and laboratories, thus creating a full-service offering. The Group's first hospital, MedLife Medical Park, opened in 2007, was one of the first and still ranks among the largest private hospitals in Romania. Subsequent development has made the Group the largest private operator of inpatient facilities in Romania, by number of authorized beds and operating rooms.

The Hospitals business line derives its revenues predominantly from FFS patients. Treatment of patients insured by the state through NHIH, generally in the maternity, gynecology, surgery, cardiology and oncology sectors, represented 39.3% and 39.6% of the business line's sales in 2023 and 2024, respectively.



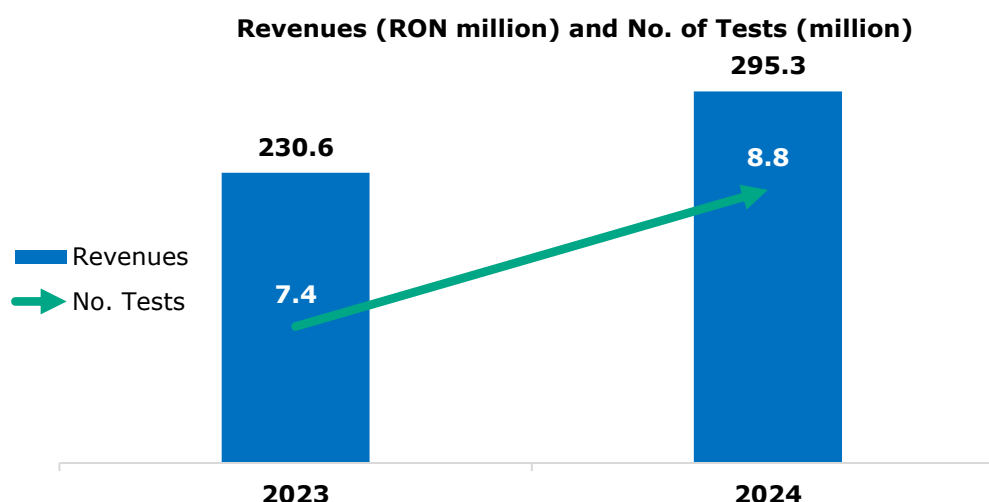


The Hospitals business line's revenues increased in 2024 by RON 181,031,909, or 37.7%, from RON 480,454,826 in 2023 to RON 661,486,735 in 2024. The growth was supported by the increase in the number of patients, as a result of the acquisitions made in 2023 and 2024 (namely the consolidation of Nord Hospital starting with April 2023 and Euromedica Hospital starting with October 2024), as well as due to investments made in technology and equipment in hospitals in Bucharest, Cluj, Sibiu and Brasov. The number of patients increased by 18.5%, from 139,234 patients in 2023, to 164,941 patients in 2024. The average fee increased by 16.2%, from 3,450.7 RON/patient in 2023, to 4,010.5 RON/patient in 2024, being the result of a mix between price increases and increased complexity of interventions, following investments in medical technology.

## Laboratories

The Group currently has one of the main chains of laboratories focused on the private healthcare market in Romania. The Laboratories business line offers the following range of services: biochemistry, pathological anatomy (cytology and histology), molecular biology and genetics, hematology, immunology, microbiology and toxicology. The Group operates a number of 42 laboratories under both the MedLife and Sfanta Maria brands, which include both larger units with state-of-the-art equipment, such as the Grivita laboratory unit, and smaller regional units.

As of December 31, 2024, the Group operated over 180 sample collection points located throughout the country, under both of the Group's brands. Collection points are units where the Group collects blood and other samples from patients.

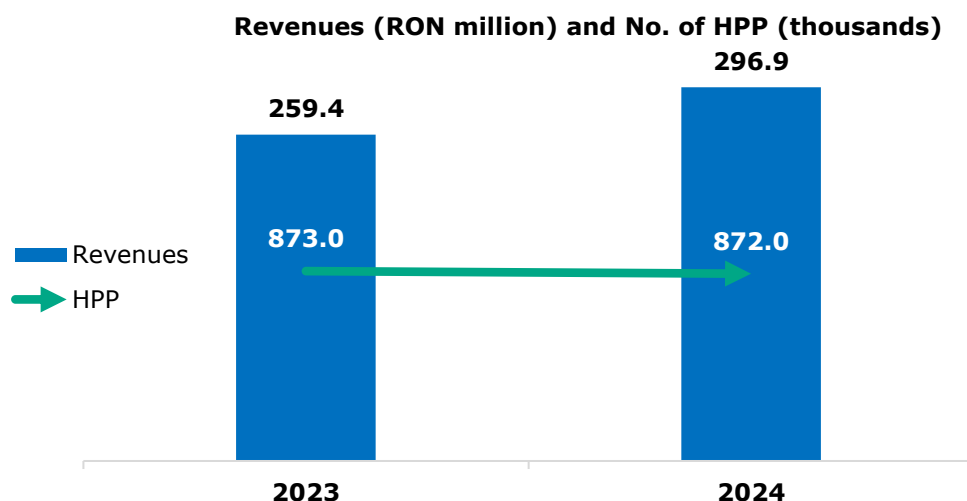


The revenues of the Laboratories business line increased in 2024 by RON 64,696,058, or 28%, from RON 230,656,316 in 2023 to RON 295,352,374 in 2024, due to the 18.2% increase in the volume of analyses performed, while the average tariff recorded an increase of 8.3%, from RON 31.1 in 2023 to RON 33.7 in 2024. The increase in the number of tests comes from all laboratories, both those under the MedLife brand and those under the Sfanta Maria brand, but also as a result of the significant increase in volumes recorded in the molecular biology and genetics division. The increase in average prices was due to both the price increases implemented during the year, and the mix of tests performed.

The Laboratories business line derives the largest portion of its revenue from FFS clients. Analyses performed on patients insured by the state through NHIH accounted for 14.1% in 2023 and 21.7% in 2024 of the business line's sales, following the entry of Oncoteam and Personal Genetics laboratories into the National Testing Program.

## Corporate

The Corporate business line offers subscription-based medical prevention and prophylaxis packages, generally to corporate clients, as part of the benefits packages they provide to their employees. These programs, which focus on prevention, such as periodic medical examinations and access to diagnostic services, complement the legally required occupational health services that corporate clients contract from MedLife under the "Standard" HPP.



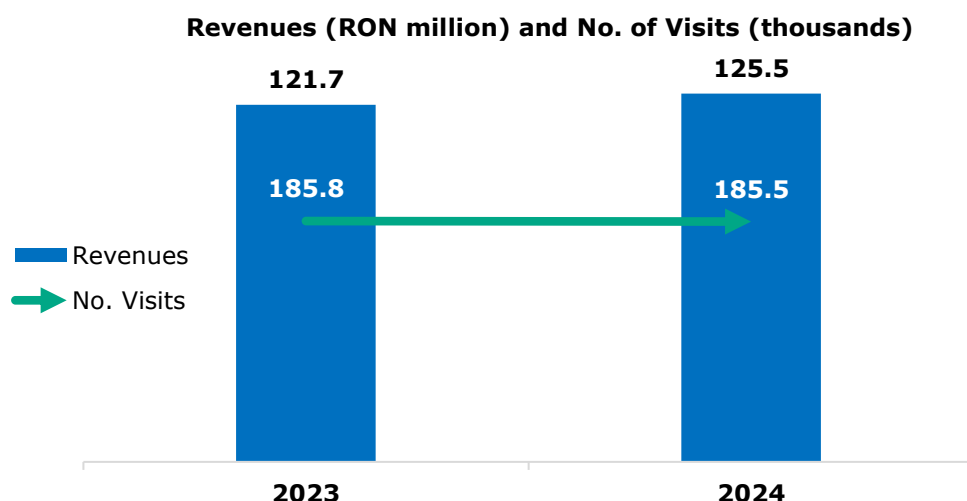
Corporate business line revenues increased in 2024 by 37,474,489 RON, or 14.4%, from 259,493,546 RON in 2023 to 296,968,035 RON in 2024. This growth was mainly supported by the price adjustments made starting with 2023 which gradually started to demonstrate their efficiency. The average revenue in 2024 registered an increase of 14.6%, from 297.2 RON in 2023 to 340.6 RON in 2024. MedLife has developed new programs dedicated to the corporate segment, as employers become increasingly concerned about the health of their employees.

The expansion of the Group's coverage area outside Bucharest has allowed access to potential new customers, as the Group's own-brand clinics, as well as its other units, offer a local solution directly under the MedLife brand. The Group has over time expanded its regional sales teams to respond to this market.

### Dentistry

The Group's Dentistry business line offers a full range of services, from medical examinations to surgeries, implants and orthodontic services.

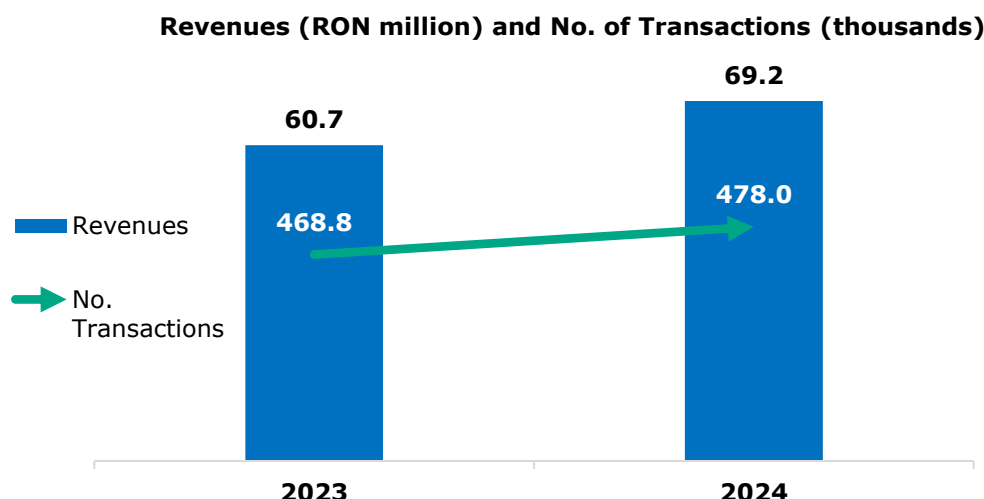
Dentistry business line revenues increased in 2024 by RON 3,739,740, or 3.1%, from RON 121,778,348 in 2023 to RON 125,518,088 in 2024. The number of visits remained constant, from 185,829 visits in 2023 to 185,582 visits in 2024, while the average fee increased by 3.2%, from RON 655.3/visit in 2023 to RON 676.3/visit in 2024.



The Dentistry business line is not subject to settlements made through NHIH, all sales in this field are on a fee for service (FFS) basis.

### Pharmacies

In 2010, the Group launched its PharmaLife pharmacy brand with the aim of capturing additional revenue from the existing patient flow in the Group's clinics. PharmaLife operates pharmacies in the Group's own units, where space, authorization and sales potential allow, or in the proximity of its units.



The revenues of the Pharmacies business line increased in 2024 by 8,529,491 RON, or 14%, from 60,709,968 RON in 2023 to 69,239,459 RON in 2024, mainly due to the increase in the average receipt value per customer, from 129.5 RON in 2023 to 144.8 RON in 2024.

In 2024, 53% of PharmaLife sales were cash-based sales, the difference being represented by sales subsidized by NHIH.

### Other revenues

Other income includes sales brokerage commissions related to insurance brokered by the Group's insurance broker, income from stem cell collection and storage services of Stem Cells Bank, income from the wholesale company - Pharmachem Distributie, as well as income generated by the online platform SanoPass and the wellness division, Sweat Concept.

The Other income category increased in 2024 by RON 18,549,686, respectively 8.2%, from RON 226,106,278 in 2023 to RON 244,655,964 in 2024, mainly as a result of the increase in the activity of Pharmachem Distributie.

## Analysis of the other items of the profit and loss account

### Other operating revenues

The Group's other operating income for the 12-month period ended 31 December 2024 was RON 8,850,263, a decrease of 21.7% compared to the previous year. This category mainly includes operating subsidy income of RON 1,794,334, as well as other operating income of RON 7,055,929.

### Operating expenses

Operating expenses include fixed and variable expenses, as well as expenses for goods and materials used by the Group to provide services. Operating expenses as a percentage of operating revenues represented 96% in 2023 and 95% in 2024. The main categories of operating expenses are described further.

	12 months		Variation
	2024	2023	
Consumable materials and repair materials	499,578,757	389,887,326	28.1%
Commodities expenses	226,208,593	208,134,799	8.7%
Utilities	34,988,497	34,016,431	2.9%
Repairs maintenance	22,419,581	19,369,183	15.7%
Rent	16,481,797	12,823,124	28.5%
Insurance premiums	6,982,497	5,962,658	17.1%
Promotion expense	47,269,456	37,019,353	27.7%
Communications	6,584,857	6,030,747	9.2%
Third party expenses (including contracts with doctors)	765,622,489	625,309,108	22.4%
Salary and related expenses	645,609,836	543,024,486	18.9%
Social contributions	23,853,508	19,480,725	22.4%
Depreciation, amortization and impairment of fixed assets	254,592,721	197,390,915	29.0%
Impairment losses and gains (including reversals of impairment losses)	6,475,319	2,688,649	140.8%
Other administration and operating expenses	27,348,695	29,081,116	-6.0%
<b>TOTAL</b>	<b>2,584,016,603</b>	<b>2,130,218,620</b>	<b>21.3%</b>

### Consumable materials and repair materials

These expenses include various medical consumables and other materials used by the Group's business lines, including laboratory reagents, chemotherapy drugs, sterile consumables for surgeries and consultations, cleaning supplies, and others.

The Group's expenses for consumables and repair materials increased in 2024 by RON 109,691,431, or 28.1%, from RON 389,887,326 in 2023 to RON 499,578,757 in 2024. The growth is in line with the growth of the Group's activity, especially in the Hospitals (37.7% growth in revenue) and Laboratories (28% growth in revenue) business lines.

This category of expenses as a share of the Group's turnover represented 17.6% in 2023 and 18.4% in 2024.

### Salary and related expenses and social contributions

These expenses include gross salary expenses and salary contribution expenses for the Group's own personnel, including doctors, nurses, laboratory personnel, pharmacists and administrative personnel at the head office and operating units. Expenses for doctors who provide services to the Group on an independent basis are included in the category Third party expenses (including contracts with doctors), described below.

The Group's expenses for salaries and social contributions increased in 2024 by RON 106,958,133, or 19%, from RON 562,505,211 in 2023 to RON 669,463,344 in 2024, mainly as a result of the integration of acquired companies and organically developed units during 2024, as well as to the salary increases implemented during 2024.

This category of expenses, as a share of the Group's turnover, represented 25.4% in 2025 and 24.7% in 2024.

### Third party expenses (including doctors' agreements)

Third party expenses mainly include expenses for doctors contracted by the Group as independent service providers. Third party expenses also include other types of expenses incurred with third parties, such as cleaning and laundry, waste collection and sanitation, guarding and security, IT services, consulting services, legal services, logistics and telecommunications services, accreditations and authorizations, and costs for the "NetLife" network, which serves the Group's HPP subscribers in areas where the Group does not have a presence.

The Group's expenses with third parties increased in 2024 by RON 140,313,381, or 22.4%, from RON 625,309,108 in 2023 to RON 765,622,489 in 2024. This category of expenses as a share of the Group's turnover represented 28.3% in 2023 and 28.2% in 2024. The growth is in line with the increase in activity across all of the Group's business lines, particularly in Hospitals and Clinics.

### Commodities expenses

These expenses mainly include the cost of pharmaceutical products sold by the Group's pharmacies, as well as pharmaceutical products sold by Pharmachem Distributie. Commodities expenses increased in 2024 by RON 18,073,794, or 8.7%, from RON 208,134,799 in 2023 to RON 226,208,593 in 2024.

This category of expenses as a share of the Group's turnover represented 9.4% in 2023 and 8.3% in 2024, in line with the decrease in pharmaceutical and distribution activity as a share of total revenues determined by a more accelerated growth of the main business lines.

### Other operating expenses

Other operating expenses include promotional expenses, maintenance and repair expenses, utilities, rent, insurance premiums, communications and other administrative and operating expenses. Other operating expenses increased in 2024 by RON 17,772,767, or 12.3%, from RON 144,302,612 in 2023 to RON 162,075,380 in 2024.

This category of expenses as a percentage of the Group's sales represented 6.5% in 2023 and 6.0% in 2024.

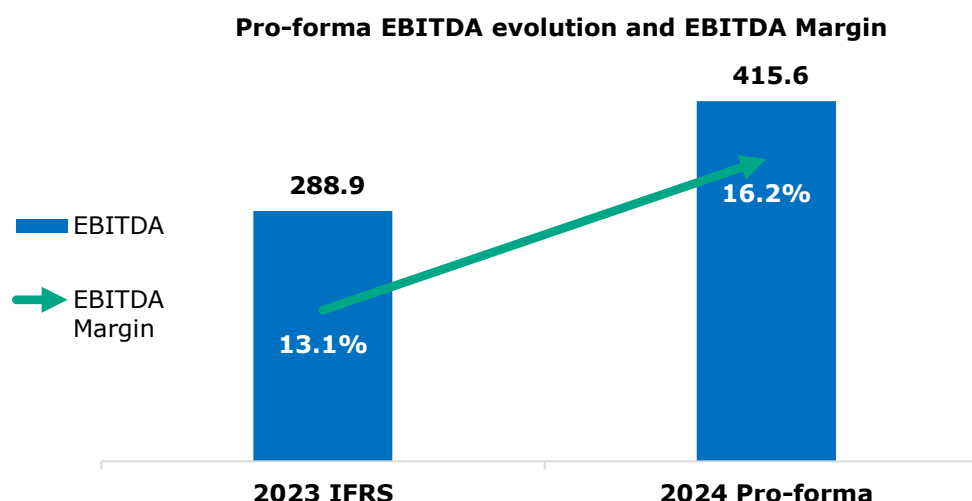
### Amortization and depreciation

Depreciation and amortization expenses increased in 2024 by RON 57,201,806, or 29.0%, from RON 197,390,915 in 2023 to RON 254,592,721 in 2024. The increase is due to the increase in the Group's assets, through acquisitions and organic growth both, as well as the effects of IFRS 16. This category of expenses as a share of the Group's sales represented 8.9% in 2023 and 9.4% in 2024.

### Pro-forma EBITDA

Adjusted EBITDA, presented in the Pro-Forma Financial Information for the year ended December 31, 2024, increased by 43.9%, or RON 126,757,766, compared to EBITDA for the year ended December 31, 2023, from RON 288,908,279 in 2023 to RON 415,666,045 in 2024.

Further details regarding the pro-forma financial information can be found in the appendix "Pro-forma Financial Information for the 12-month period ended December 31, 2024".



### Operating Profit

Operating profit increased by 53.4% in 2024 compared to 2023, from RON 91,517,364 in 2023 to RON 140,408,371 in 2024, due to strong revenue growth, supported by robust demand for medical services in the Group's units, a more favorable sales mix. Also, the capacities created through organic development projects carried out in 2024, as well as the acquisitions made in the last 2 years, started to show their effects.



Despite a much slower economic growth in Romania, of only 0.9% in 2024, the results recorded by the Group attest to its ability to maintain its financial and operational performance of the business. Although the pace of acquisitions was reduced, with 5 acquisitions completed during the year, the Group accelerated strongly in the area of organic projects and opened no less than 3 new hospital units, becoming probably the largest provider of hospital services both in Bucharest and nationally. The Group thus currently comprises companies with great growth potential and the ability to generate margins, and we expect to see clear trends in margin consolidation in the coming period.

### Financial result

The financial result increased by 16.2% in 2024 compared to 2023, from a loss of RON 87,217,880 in 2023, to a loss of RON 101,339,241 in 2024. The increase was mainly due to the increase in financing costs as a result of the increase in interest-bearing debts from one period to another, in order to support the Group's development strategy through acquisitions and organic growth.

### Result before taxes

As a result of the factors presented above, the result before tax increased by RON 34,769,646 in 2024, respectively 808.7% from RON 4,299,484 in 2023, to RON 39,069,130 in 2024.

### Income tax expense

The corporate income tax increased in 2024 by 13,852,361 RON, or 163.7%, from 8,464,341 RON in 2023 to 22,316,702 RON in 2024.

### Net result

The net result recorded in 2024 increased by 502.2%, from a net loss of 4,164,857 RON in 2023 to a profit of 16,752,428 RON in 2024.

### Consolidated statement of financial position

The following table contains the consolidated statement of financial position of the Group for the year ended 31 December 2024 and 2023 respectively.

	<b>31 December</b>		<b>Variation</b>
	<b>2024</b>	<b>2023</b>	
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Goodwill	492,034,979	445,395,617	10.5%
Intangible assets	120,974,820	118,906,011	1.7%
Property, plant and equipment	1,303,969,853	1,101,015,115	18.4%
Right-of-use asset	386,290,334	396,569,537	-2.6%
Other financial assets	54,138,411	40,942,540	32.2%
<b>Total Non-Current Assets</b>	<b>2,357,408,397</b>	<b>2,102,828,820</b>	<b>12.1%</b>
<b>Current Assets</b>			
Inventories	148,798,218	109,657,497	35.7%
Trade Receivables	324,106,860	261,664,410	23.9%
Other assets	55,880,250	50,216,242	11.3%
Cash and cash equivalents	112,808,224	100,271,093	12.5%
Prepayments	17,311,896	11,699,369	48.0%
<b>Total Current Assets</b>	<b>658,905,448</b>	<b>533,508,611</b>	<b>23.5%</b>
<b>TOTAL ASSETS</b>	<b>3,016,313,845</b>	<b>2,636,337,431</b>	<b>14.4%</b>
<b>LIABILITIES &amp; SHAREHOLDER'S EQUITY</b>			
<b>Non-Current Liabilities</b>			
Lease liability	286,025,347	309,158,946	-7.5%
Other long term debt	69,109,052	47,775,013	44.7%
Interest-bearing loans and borrowings	1,135,073,779	1,040,639,641	9.1%

Deferred tax liability	45,236,597	44,897,775	0.8%
<b>Total Non-Current Liabilities</b>	<b>1,535,444,775</b>	<b>1,442,471,375</b>	<b>6.4%</b>
<b>Current Liabilities</b>			
Trade and other payables	571,552,330	404,553,771	41.3%
Overdraft	29,076,066	29,835,472	-2.5%
Current portion of lease liability	108,288,263	99,589,187	8.7%
Current portion of interest-bearing loans and borrowings	127,417,891	82,297,342	54.8%
Current tax liabilities	4,322,327	321,242	1245.5%
Provisions	17,409,666	11,116,544	56.6%
Other liabilities	118,157,796	71,960,475	64.2%
<b>Total Current Liabilities</b>	<b>976,224,339</b>	<b>699,674,033</b>	<b>39.5%</b>
<b>TOTAL LIABILITIES</b>	<b>2,511,669,114</b>	<b>2,142,145,408</b>	<b>17.3%</b>
<b>SHAREHOLDER'S EQUITY</b>			
Share capital and Share premium	132,562,337	132,562,338	0.0%
Treasury shares	(1,760,728)	(681,892)	158.2%
Reserves	232,230,657	212,560,216	9.3%
Retained earnings	69,593,508	70,850,636	-1.8%
<b>Equity attributable to owners of the Group</b>	<b>432,625,774</b>	<b>415,291,298</b>	<b>4.2%</b>
Non-controlling interests	72,018,957	78,900,725	-8.7%
<b>TOTAL EQUITY</b>	<b>504,644,731</b>	<b>494,192,023</b>	<b>2.1%</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>3,016,313,845</b>	<b>2,636,337,431</b>	<b>14.4%</b>

## Analysis of the main elements of the consolidated statement of financial position

### Non-current assets

Fixed assets amounted to RON 2,357,408,397 as of December 31, 2024, registering an increase of 12.1% compared to December 31, 2023. The increase is mainly due to the acquisitions completed in 2024, generating an additional increase of RON 46,639,362 in the recorded goodwill, but also to the increase in tangible assets by RON 202,954,738, both as a result of the consolidation of the acquired companies and organic development projects. The Group also uses a large number of properties under lease agreements that are renewed periodically, with a right of use of assets of RON 386,290,334.

The Group's tangible assets include buildings and land, which are used for the benefit of the private healthcare network. The Group companies own a portion of these assets. The majority of the properties owned by the Group are encumbered with mortgages that guarantee the repayment of loans granted to the Group by creditors.

The Group's tangible and intangible assets as of December 31, 2024 and December 31, 2023 were as follows:

	Land	Buildings	Leasehold improvements	Vehicles and equipment	Construction in progress	Total fixed assets
<b>31 December 2023</b>	<b>120,852,586</b>	<b>297,358,837</b>	<b>200,068,988</b>	<b>886,977,515</b>	<b>125,261,031</b>	<b>1,630,518,957</b>
Additions	-	195,605	2,999,025	192,852,540	108,744,691	304,791,861
Transfers	-	6,361,503	113,065,149	40,353,977	(160,822,522)	(1,041,893)
Disposals	-	-	(9,225)	(7,862,323)	(5,961)	(7,877,509)
Additions from business combinations	2,080,298	-	10,071,771	30,086,727	-	42,238,796
<b>31 December 2024</b>	<b>122,932,884</b>	<b>303,915,945</b>	<b>326,195,708</b>	<b>1,142,408,436</b>	<b>73,177,240</b>	<b>1,968,630,212</b>

	Land	Buildings	Leasehold improvements	Vehicles and equipment	Construction in progress	Total fixed assets
<b>Depreciation</b>						
<b>31 December 2023</b>	<b>-</b>	<b>7,891,882</b>	<b>85,383,505</b>	<b>436,228,456</b>	<b>-</b>	<b>529,503,843</b>
Charge of the year	-	5,258,306	19,973,593	115,152,158	-	140,384,057
Disposals	-	-	-	(5,605,412)	-	(5,605,412)
Impairment (as a result of merger projects)	-	-	-	377,870	-	377,870
<b>31 December 2024</b>	<b>-</b>	<b>13,150,188</b>	<b>105,357,098</b>	<b>546,153,073</b>	<b>-</b>	<b>664,660,359</b>

### Net Book Value

<b>31 December 2023</b>	<b>120,852,586</b>	<b>289,466,955</b>	<b>114,685,483</b>	<b>450,749,059</b>	<b>125,261,031</b>	<b>1,101,015,114</b>
<b>31 December 2024</b>	<b>122,932,884</b>	<b>290,765,757</b>	<b>220,838,609</b>	<b>596,255,363</b>	<b>73,177,240</b>	<b>1,303,969,853</b>

## Current Assets

Current assets increased by 23.5% from RON 533,508,611 at December 31, 2023 to RON 658,905,448 at December 31, 2024. The increase was in line with the Group's development.

### Inventories

Inventories are stated at the lower of cost and net realizable value. The cost of inventories includes all costs incurred in bringing the inventories to their present location and condition and is valued on a first-in, first-out (FIFO) basis. Net realizable value is the estimated selling price for the inventories less the estimated costs of completion and the estimated costs necessary to make the sale.

	31 December	
	2024	2023
Consumables	97,599,117	60,386,702
Materials in the form of inventory items	2,030,709	1,267,448
Merchandise	49,168,392	48,002,728
Inventory in transit	0	619
<b>TOTAL</b>	<b>148,798,218</b>	<b>109,657,497</b>

### Receivables

Receivables are valued in the balance sheet at the estimated realizable value. The Group's receivables cover a wide range of customers. The main customer to the state budget is the National Health Insurance House.

The average collection period for receivables for services provided is 95 days. No interest is charged on trade receivables in the first 95 days from the date of invoice issuance.

	31 December	
	2024	2023
Customers	370,686,338	301,363,147
Adjustments for expected credit losses	(46,579,478)	(39,698,737)
<b>TOTAL</b>	<b>324,106,860</b>	<b>261,664,410</b>

## Current Liabilities

Current liabilities (excluding interest-bearing liabilities) increased by 45.8%, from RON 487,952,032 at December 31, 2023 to RON 711,442,119 at December 31, 2024.

### Suppliers of the Group

The Group purchases medical and other materials from leading suppliers on the market, including international companies and prestigious local companies. The Group has concluded purchasing contracts with its main suppliers of medical consumables, substances used in laboratory activities, pharmaceuticals, medical equipment and other non-medical purchases. These contracts are negotiated at Group level in order to obtain more advantageous conditions at Group level. The purchasing department is an essential element for generating cost synergies, especially for companies newly integrated into the MedLife Group. The Group selects its suppliers based on quality, price and delivery capacity criteria and aims to establish solid long-term relationships with its suppliers.

## Financial Debt

Interest-bearing debt increased by 8.0%, from RON 1,561,520,588 at 31 December 2023 to RON 1,685,881,346 at 31 December 2024. The increase is mainly due to the financing of acquisitions completed during the year, as well as organic projects developed in 2024. As of 31 December 2024, the companies within the Group were party to a number of financing agreements, the funds being used to finance the Group's investment expenditures, as well as to finance working capital.

The following tables summarize the Group's debt from loan and lease agreements as of 31 December 2023 and 2024, respectively:

	<b>31 December</b>	
<b>Loan agreements</b>	<b>2024</b>	<b>2023</b>
Current portion of interest-bearing loans and borrowings (incl. overdraft)	156,493,957	112,132,814
Non-current portion of Interest-bearing loans and borrowings	1,135,073,779	1,040,639,641
<b>TOTAL</b>	<b>1,291,567,736</b>	<b>1,152,772,455</b>

	<b>31 December</b>	
<b>Leasing liabilities</b>	<b>2024</b>	<b>2023</b>
Long term portion	286,025,347	309,158,946
Current portion	108,288,263	99,589,187
<b>TOTAL</b>	<b>394,313,610</b>	<b>408,748,133</b>

### **Increase of the credit facility**

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 Polissano 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 is comprised of Banca Comerciala Romana, 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.

On 14 March 2024, the Group increased the existing facilities by 50 million euros by signing an addendum to the existing loan. The syndicate of banks which signed the increase of the syndicated loan consists of Banca Comerciala Romana, as Coordinating Mandated Lead Arranger, Documentation Agent, Facility Agent, Security Agent and Bookrunner, Raiffeisen Bank, BRD Groupe Société Générale and Banca Transilvania, as Original lenders.

The balance of the syndicated loan is RON 1,129,646,367 as of December 31st, 2024.

As at December 31, 2024, 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 Polissano S.R.L., with an outstanding balance of RON 21,778,548 as of 31 December 2024;
- a loan agreement secured by Banca Transilvania S.A. and SC Anima Specialty Medical Services SRL (former Ghencea Medical Center S.A., which merged under SC Anima Specialty Medical Services SRL), with an outstanding balance of RON 343,515 as of 31 December 2024;
- a loan agreement secured by Banca Transilvania S.A. and Micromedica Roman S.R.L., with an outstanding balance of RON 210,263 as of 31 December 2024;
- a loan agreement secured by Banca Transilvania S.A. and Centrul Medical Micromedica S.R.L., with an outstanding balance of RON 95,419 as of 31 December 2024;
- a loan agreement secured by Banca Transilvania S.A. and Dent Estet Ploiesti S.R.L., with an outstanding balance of RON 1,513,502 as of 31 December 2024;
- a loan agreement secured by Banca Transilvania S.A. and ProLife Clinics S.R.L., with an outstanding balance of RON 1,075,695 as of 31 December 2024;
- a loan agreement secured by Banca Transilvania S.A. and Medical City Blue S.R.L., with an outstanding balance of RON 282,514 as of 31 December 2024;



- 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 103,743,252 as of 31 December 2024;
- a loan agreement secured by Banca Comercială Română and Provita Pain Clinic S.A., with an outstanding balance of RON 438,743 as of 31 December 2024;
- a loan agreement secured by Libra Bank and Policlinica Union S.R.L., with an outstanding balance of RON 59,655 as of 31 December 2024;
- a loan agreement secured by Banca Transilvania S.A. and Onco Team Diagnostic S.R.L., with an outstanding balance of RON 64,262 as of 31 December 2024;
- a loan agreement secured by Banca Transilvania S.A. and Euromedica Hospital S.A., with an outstanding balance of RON 1,194,288 as of 31 December 2024;
- 2 loan agreements secured by Libra Bank and Centrul Medical Antares S.R.L., with an outstanding balance of RON 729,389 as of 31 December 2024;
- an overdraft facility agreement secured by Garanti Bank S.A. and Med Life S.A., with the amount drawn as of 31 December 2024 being RON 9,948,200;
- an overdraft facility agreement secured by UniCredit Tirioc Bank and Prima Medical S.R.L., with a maximum credit limit of RON 800,000, fully drawn as of 31 December 2024;
- an overdraft facility agreement secured by Banca Transilvania S.A. and Pharmachem Distribuție S.R.L., with an outstanding balance of RON 5,775,645 as of 31 December 2024;
- an overdraft facility agreement concluded between Banca Transilvania S.A. and Medical City Blue S.R.L., with an outstanding balance of RON 500,000 as of 31 December 2024;
- 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 2,871,435 as of 31 December 2024;
- an overdraft facility agreement concluded between Banca Transilvania S.A. and Personal Genetics S.R.L., with an outstanding balance of RON 689,371 as of 31 December 2024.

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

As at December 31, 2024 none of the Group members was in breach of any applicable term of the financing facilities.

## Liquidity and Capital Resources

The following table presents a summary of the Group's consolidated cash flow statement for the period ended 31 December 2023 and 2024, respectively:

	Period ended December, 31	
	2024	2023
<b>Operating cash flow before working capital changes</b>	<b>404,066,132</b>	<b>292,438,116</b>
<b>Cash generated from working capital changes</b>	<b>(14,457,386)</b>	<b>(36,519,238)</b>
<b>Cash generated from operations</b>	<b>389,608,746</b>	<b>255,918,878</b>
Interest Paid	(83,880,922)	(61,662,770)
Interest received	2,175,920	3,423,077
Income Tax Paid	(22,280,461)	(14,171,759)
<b>Net cash from operating activities</b>	<b>285,623,283</b>	<b>183,507,426</b>
<b>Net cash used in investing activities</b>	<b>(307,521,036)</b>	<b>(286,501,614)</b>
<b>Net cash from financing activities</b>	<b>34,434,884</b>	<b>114,197,127</b>
<b>Net change in cash and cash equivalents</b>	<b>12,537,131</b>	<b>11,202,939</b>
Cash and cash equivalents beginning of the period	100,271,093	89,068,154
<b>Cash and cash equivalents end of the period</b>	<b>112,808,224</b>	<b>100,271,093</b>

### Net cash from operating activities

Net cash generated from operating activities increased in 2024 by RON 102,115,857, or 55.6%, from RON 183,507,426 in 2023 to RON 285,623,283 in 2024. The increase was driven by the increase in the Group's operational performance, despite an increase in interest paid, from RON 61,662,770 in 2023 to RON 83,880,922 in 2024, and in income tax, from RON 14,171,759 in 2023 to RON 22,280,461 in 2024.

### Net cash used in investing activities

Net cash used in investing activities increased by RON 21,019,422, or 7.3%, from RON 286,501,614 in 2023 to RON 307,521,036 in 2024, as a result of the organic development projects carried out by the Group during the year. Consequently, the acquisitions of tangible assets increased in 2024 to RON 236,736,304, from RON 201,317,379 in 2023, the most important projects developed by the Group during the year being the finalization of the Nord Hospital in Bucharest, the MedLife Hospital in Craiova, and Medici's Hospital in Timisoara. Investments in business combinations decreased by RON 15,038,305 in 2024 versus 2023, from RON 66,544,664 in 2023, to RON 51,506,359 in 2024.

### Net cash from financing activities

Net cash generated from financing activities decreased by RON 79,762,243 compared to the previous period, from a net cash generated from financing activities of RON 114,197,128 in 2023 to a net cash generated from financing activities of RON 34,434,884 in 2024, following the decrease in loan utilization from 284,583,155 RON in 2023 to 221,540,083 RON in 2024.

## FINANCIAL ANALYSIS FOR MED LIFE S.A.

*The following discussion of the financial position and operating results of the Company as at and for the years ended 31 December 2023 and 2024 should be read in conjunction with the Financial Statements and information relating to the Company's activities included in other sections of this Administrators' Report. The financial information selected in this section has been extracted from the Financial Statements, in each case without material adjustments, unless otherwise stated. Investors should read this Administrators' Report in conjunction with the Financial Statements and other reports issued by the Group and should not rely solely on the information presented in summary form. The following table sets out the standalone statement of profit or loss and comprehensive income of the Company for the years ended 31 December 2024 and 2023, respectively.*

	<b>12 months ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
Revenue from contracts with customers	716,937,391	636,435,030
Other operating income	839,144	8,166,567
Dividend income	26,421,834	24,503,878
<b>Operating Income</b>	<b>744,198,369</b>	<b>669,105,475</b>
Consumable materials and repair materials	(95,328,405)	(88,422,209)
Third party expenses	(259,284,776)	(236,076,062)
Salaries and related expenses	(203,211,206)	(184,464,871)
Social contributions	(7,860,000)	(7,097,321)
Depreciation and amortization	(67,686,546)	(62,185,124)
Impairment losses and gains (including reversals of impairment losses)	(3,132,852)	(949,607)
Impairment of fixed assets	(377,870)	-
Other operating expenses	(44,722,691)	(44,352,874)
<b>Operating expenses</b>	<b>(681,604,346)</b>	<b>(623,548,068)</b>
<b>Operating Profit</b>	<b>62,594,023</b>	<b>45,557,407</b>
Finance income	13,005,328	12,904,228
Finance cost	(45,812,946)	(39,774,586)
Other financial expenses	(405,508)	(4,100,145)
<b>Financial result</b>	<b>(33,213,126)</b>	<b>(30,970,503)</b>
<b>Profit Before Tax</b>	<b>29,380,897</b>	<b>14,586,903</b>
Income tax credit/(expense)	(6,884,566)	2,146,900
<b>Profit After Tax</b>	<b>22,496,331</b>	<b>16,733,803</b>
<b>Other comprehensive income items that will not be reclassified to profit or loss</b>		
Revaluation of land and buildings	-	-
Deferred tax on other comprehensive income components	-	-
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>	<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>22,496,331</b>	<b>16,733,803</b>

## Analysis of the profit and loss account

The turnover of the financial year 2024 amounted to RON 716,937,391, an increase compared to the turnover obtained in the financial year 2023 by RON 80,502,361, respectively 12.6%.

The increase was mainly due to the growth in all lines of activity of the Company following the robust demand for medical services in the units.

Other operating income of the Company for the 12-month period ended December 31, 2024 was RON 839,144, decreasing from RON 8,166,567 in 2023, following the sale made by Med Life S.A. to Clinica Dentestet S.A. for Clinica Dentalife in 2023, the entire Dentistry Division being moved to another company within the MedLife Group.

## Operating revenues

Operating expenses include fixed and variable expenses, as well as expenses for goods and materials used by the Company to provide services. Operating expenses as a percentage of operating revenues represented 93.2% in 2023 and 91.6% in 2024. The main categories of operating expenses are described below.

	12 months		
	2024	2023	Variation
Consumable materials and repair materials	95,328,405	88,422,209	8%
Third party expenses	259,284,776	236,076,062	10%
Salaries and related expenses	203,211,206	184,464,871	10%
Social contributions	7,860,000	7,097,321	11%
Depreciation and amortization	67,686,546	62,185,124	9%
Impairment losses and gains (including reversals of impairment losses)	3,132,852	949,607	230%
Impairment of fixed assets	377,870	-	100%
Utilities	8,797,143	9,039,038	-3%
Repairs maintenance	6,245,405	5,205,379	20%
Rent	3,709,918	4,149,443	-11%
Insurance premiums	1,982,223	2,392,115	-17%
Promotion expense	15,686,744	13,636,147	15%
Communications	2,379,998	2,313,600	3%
Other administration and operating expenses	5,921,260	7,617,152	-22%
<b>TOTAL</b>	<b>681,604,346</b>	<b>623,548,068</b>	<b>9%</b>

## Consumable materials and repair materials

These expenses include various medical consumables and other materials used by the Company's business lines, including laboratory reagents, chemotherapy drugs, sterile consumables for surgeries and consultations, cleaning supplies and others.

The Company's expenses for consumables and repair materials increased in 2024 by RON 6,906,196, or 7.8%, from RON 88,422,209 in 2023 to RON 95,328,405 in 2024. The increase is in line with the Company's increased activity in all its units.

This category of expenses as a share of the Company's turnover represented 13.9% in 2023 and 13.3% in 2024.

## Salary and related expenses and social contributions

These expenses include gross salary expenses and salary contribution expenses for the Company's own personnel, including physicians, nurses, laboratory personnel and support personnel. Expenses for physicians who provide services to the Company on an independent basis are included in the Third Party Expenses (including Physician Contracts) category, described below.

The Company's expenses for salaries and social contributions increased in 2024 by 19,509,014 RON, respectively 10%, from 191,562,192 RON in 2023 to 211,071,206 RON in 2024, mainly as a result of the development of existing units, as well as the salary increases achieved during 2024.

This category of expenses, as a share of the Company's turnover, represented 30.1% in 2023 and 29.4% in 2024.

### Third party expenses (including doctors' agreements)

Third-party expenses primarily include expenses for doctors contracted by the Company as independent service providers. Third-party expenses also include other types of expenses incurred with third parties, such as cleaning and laundry, waste collection and sanitation, security and guarding, IT services, consulting services, legal services, logistics and telecommunications services, accreditations and authorizations, and costs for the "NetLife" network, which serves the Company's PPM subscribers in areas where the Company does not have a presence.

The Company's expenses with third parties increased in 2024 by RON 23,208,714, or 9.8%, from RON 236,076,062 in 2023 to RON 259,284,776 in 2024. This category of expenses as a share of the Company's turnover represented 37.1% in 2023 and 36.2% in 2024. The increase is in line with the increase in activity in all of the Company's business lines.

### Other operating expenses

Other operating expenses include promotional expenses, maintenance and repair expenses, utilities, rent, insurance premiums, communications and other administrative and operating expenses. Other operating expenses increased in 2024 by RON 369,817, or 0.8%.

This category of expenses as a percentage of the Company's sales represented 7% in 2023 and 6.2% in 2024.

### Amortization and depreciation

Depreciation and amortization expenses increased in 2024 by RON 5,501,422, or 8.8%, from RON 62,185,124 in 2023 to RON 67,686,546 in 2024. The increase is due to the investments in medical infrastructure made by the Company during the period. This category of expenses as a share of the Company's sales represented 9.8% in 2023 and 9.4% in 2024.

### Operating Profit

Operating profit increased by 37.4% in 2024 compared to 2023, from RON 45,557,407 in 2023 to RON 62,594,023 in 2024, due to revenue growth supported by robust demand for medical services in the Company's units and a more favorable sales mix.

### Financial result

The financial result increased by 7.2% in 2024 compared to 2023, from a loss of RON 30,970,503 in 2023, to a loss of RON 33,213,126 in 2024. The increase was mainly due to the increase in financing costs as a result of the increase in interest-bearing debt from one period to another, in order to support the development strategy through acquisitions and organic developments.

### Result before taxes

As a result of the factors presented above, the result before tax increased by 101.4%, from RON 14,586,903 in 2023, to RON 29,380,897 in 2024.

### Income tax expense

The corporate income tax increased in 2024 by RON 9,031,466, reaching RON 6,884,566 in 2024.

### Net result

The net result recorded in 2024 increased by 34.4%, from a net profit of 16,733,803 RON in 2023 to a profit of 22,496,331 RON in 2024.

### Statement of financial position

The following table contains the consolidated statement of financial position of the Company for the year ended 31 December 2024 and 2023 respectively.

ASSETS	31 December	
	2024	2023
<b>Non-current Assets</b>		
Intangible assets	22,636,493	19,166,955
Property, plant and equipment	374,993,545	356,486,820
Right-of-use asset	48,844,012	52,406,445

Investment in subsidiaries	507,838,848	488,124,810
Other financial assets	16,932,943	15,825,680
<b>Total Non-Current Assets</b>	<b>971,245,841</b>	<b>932,010,711</b>
<b>Current Assets</b>		
Inventories	15,320,875	14,382,019
Trade Receivables	97,162,994	87,202,024
Loans granted to related parties	190,295,292	161,747,816
Other assets	25,135,616	27,118,812
Cash and cash equivalents	15,335,770	10,201,516
Prepayments	3,422,223	1,228,014
<b>Total Current Assets</b>	<b>346,672,770</b>	<b>301,880,201</b>
<b>TOTAL ASSETS</b>	<b>1,317,918,611</b>	<b>1,233,890,912</b>
<b>LIABILITIES &amp; SHAREHOLDER'S EQUITY</b>		
<b>Non-Current Liabilities</b>		
Lease liability	27,066,810	30,921,580
Interest-bearing loans and borrowings	582,827,132	593,857,396
Deferred tax liability	16,292,837	16,905,872
<b>Total Non-Current Liabilities</b>	<b>626,186,779</b>	<b>641,684,848</b>
<b>Current Liabilities</b>		
Trade and other payables	207,442,240	160,343,456
Overdraft	9,948,200	9,949,200
Current portion of lease liability	24,096,539	24,607,775
Current portion of interest-bearing loans and borrowings	58,861,845	45,140,930
Loans received from related parties	18,351,571	10,538,675
Current tax liabilities	2,256,090	97,549
Provisions	4,769,204	2,790,424
Other liabilities	20,348,388	14,497,795
<b>Total Current Liabilities</b>	<b>346,074,077</b>	<b>267,965,804</b>
<b>TOTAL LIABILITIES</b>	<b>972,260,856</b>	<b>909,650,652</b>
<b>SHAREHOLDER'S EQUITY</b>		
Share capital and Share premium	132,562,337	132,562,337
Treasury shares	(1,760,729)	(681,894)
Reserves	142,816,514	141,691,848
Retained earnings	72,039,633	50,667,968
<b>TOTAL EQUITY</b>	<b>345,657,755</b>	<b>324,240,259</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1,317,918,611</b>	<b>1,233,890,911</b>

## Analysis of the main elements of the consolidated statement of financial position

### Non-current assets

Fixed assets increased by 4.2%, respectively RON 39,235,130, from RON 932,010,711 at December 31, 2023, to RON 971,245,841 at December 31, 2024, as a result of increases in tangible assets and investments in subsidiaries made during 2024.

Tangible assets amounted to RON 374,993,545 at December 31, 2024, recording an increase of 5.2% compared to December 31, 2023 as a result of investments in medical infrastructure made in 2024.



Investments in subsidiaries increased by 4%, respectively RON 19,714,038, from RON 488,124,810 at December 31, 2023 to RON 507,838,848 as of December 31, 2024.

### Current Assets

Current assets increased by 14.8% from RON 301,880,201 as of December 31, 2023 to RON 346,672,770 as of December 31, 2024. The increase was in line with the Company's development.

### Receivables

Receivables are valued in the balance sheet at the estimated realizable value. The Group's receivables cover a wide range of customers. The main customer to the state budget is the National Health Insurance House.

The average collection period for receivables for services provided is 95 days. No interest is charged on trade receivables in the first 95 days from the date of invoice issuance.

	31 December	
	2024	2023
Customers	128,557,860	115,464,039
Adjustments for expected credit losses	(31,394,866)	(28,262,015)
<b>TOTAL</b>	<b>97,162,994</b>	<b>87,202,024</b>

### Loans to related parties

The company has significant investments in other companies.

During the reporting period, the following important events occurred (the percentages below represent the participation share):

- subsequent 38% increase in the stake in Sanopass S.A.;
- acquisition of 60% of the shares of Stomestet S.A. from Dent Estet Clinic S.A.

### Current Liabilities

Current liabilities (excluding interest-bearing liabilities) increased by 32.1%, from RON 177,729,224 at December 31, 2023 to RON 234,815,922 at December 31, 2024.

### Financial Debt

Interest-bearing debt remained in line with last year, amounting to RON 702,800,526 as of December 31, 2024.

The following tables summarize the Company's debt position under loan and lease agreements as of December 31, 2023 and 2024, respectively:

Loan agreements	31 December	
	2024	2023
Current portion of interest-bearing loans and borrowings (incl. overdraft)	68,810,045	55,090,130
Non-current portion of Interest-bearing loans and borrowings	582,827,132	593,857,396
<b>TOTAL</b>	<b>651,637,177</b>	<b>648,947,526</b>

	<b>31 December</b>	
	<b>2024</b>	<b>2023</b>
<b>Leasing liabilities</b>		
Long term portion	27,066,810	30,921,580
Current portion	24,096,539	24,607,775
<b>TOTAL</b>	<b>51,163,349</b>	<b>55,529,355</b>

The balance of the syndicated loan is RON 637,528,177 as of December 31, 2024.

## Liquidity and Capital Resources

The following table presents a summary of cash flows for the period ended December 31, 2023 and 2024, respectively:

	<b>Period ended December, 31</b>	
	<b>2024</b>	<b>2023</b>
<b>Operating cash flow before working capital changes</b>	<b>96,644,724</b>	<b>84,580,797</b>
<b>Cash generated from working capital changes</b>	<b>31,853,930</b>	<b>(10,504,405)</b>
<b>Cash generated from operations</b>	<b>128,498,655</b>	<b>74,076,393</b>
Dividends received from subsidiaries	1,399,080	23,784,034
Interest paid	(39,523,222)	(30,796,601)
Interest received	-	585,939
Income tax paid	(5,339,059)	(883,444)
<b>Net cash from operating activities</b>	<b>85,035,454</b>	<b>66,766,320</b>
<b>Net cash used in investing activities</b>	<b>(61,250,343)</b>	<b>(130,585,095)</b>
<b>Net cash from/(used in) financing activities</b>	<b>(18,650,857)</b>	<b>58,878,859</b>
<b>Net change in cash and cash equivalents</b>	<b>5,134,254</b>	<b>(4,939,915)</b>
Cash and cash equivalents beginning of the period	10,201,516	15,141,431
<b>Cash and cash equivalents end of the period</b>	<b>15,335,770</b>	<b>10,201,516</b>

### Net cash from operating activities

Net cash generated from operating activities increased in 2024 by RON 54,422,262, or 73.5%, from RON 74,076,393 in 2023 to RON 128,498,655 in 2024. The increase was driven by the increase in the Company's operational performance and cash generated from changes in working capital, despite an increase in interest paid, from RON 30,796,601 in 2023 to RON 39,523,222 in 2024, and in income tax, from RON 883,444 in 2023 to RON 5,339,059 in 2024.

### Net cash used in investing activities

Net cash used in investing activities halved during 2024, compared to 2023, with a decrease from RON 130,585,095 in 2023, to RON 61,250,343 in 2024.

### Net cash from/(used in) financing activities

Net cash from financing activities decreased by RON 77,529,716 compared to the previous period, from a net cash from financing activities of RON 58,878,859 in 2023 to a net cash used in financing activities of RON 18,650,857 in 2024, due to the decrease in the use of loans.

## **RISK MANAGEMENT**

### **Risk exposure and risk management**

The Group Board of Directors has overall responsibility for establishing and overseeing the Group's risk management framework. The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and compliance with limits. The Audit Committee is responsible for monitoring and addressing issues relating to the effectiveness and efficiency of the Group's internal controls, regulatory compliance and risk management.

In the course of its business, the Group is exposed to a range of financial risks, including credit risk, interest rate risk, liquidity risk and currency risk. The Group's objectives, policies and processes for managing these risks and the methods used to measure them are set out further in this chapter. The central treasury function plays an important role in managing the Group's financial risks, with the aim of controlling and managing the Group's financial exposure and financial costs, with a balance between risk and cost.

### **Credit risk**

Financial assets that may give rise to concentrations of credit risk consist mainly of cash, short-term deposits, trade receivables, long-term receivables from stem cell processing and advances for acquisitions of subsidiaries (in the previous year).

The Group's cash equivalents and short-term deposits are placed with reputable financial institutions with a high credit rating.

Trade receivables are net of the provision for expected credit losses. The credit risk on trade receivables is limited due to the large number of customers comprising the Group's customer base, which consists mainly of both individuals and companies. Approximately 60% of total sales are in cash, the remainder being based on invoice issuance. The financial situation of these customers in relation to their creditworthiness is assessed on an ongoing basis.

The Group has also developed certain procedures to assess legal entities as customers before signing contracts for the provision of healthcare prevention packages (HPP) and to monitor their ability to make payments during the course of the contracts. The Group has also established an internal Collections department that actively monitors the receipts received from customers.

Other long-term receivables for stem cell processing are presented net of the provision for expected credit losses. The receivables have been assessed individually taking into account the specific information available in individual cases, in order to measure the credit risks. A provision for expected credit losses has been established for certain customers for whom management has assessed a high credit risk.

The gross carrying amounts of financial assets (before allowances for credit losses) included in the statement of financial position represent the Group's maximum exposure to credit risk in relation to these assets. The Group has only 32% of its sales during 2024 deriving from the treatment of NHIH insured patients (concentration of credit risk) - dependence on major customers, but in the opinion of management, the credit risk associated with the balance of receivables is considered to be low, based on historical practice and the specifics of the contracts.

As of 31 December 2024, the Group did not consider that there was a significant concentration of credit risk.

### **Interest rate risk**

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Group is exposed to interest rate risk because it borrows funds at variable interest rates. The higher risk is represented by funds borrowed in the national currency, as interest rates are periodically updated according to the variation in the index.

Lease agreements concluded in the national currency are also exposed to risk due to the above discounting process, as the discount rate in this case is linked to the domestic borrowing rates for funds drawn in the national currency.

The interest rate sensitivity analysis is performed by management, using a 10% increase / decrease in interest rates and monitored periodically. This assumption has not changed compared to previous years and represents management's assessment of the reasonable possible change in interest rates.

According to the available forecasts and euribor-rates.eu, the EURIBOR level is expected to decrease slowly during 2025 (from approximately 2.5% on 31 December 2024 to 2% estimated by mid-2025). This decrease is already sustained since March 2025 when EURIBOR reached a level of approximately 2.4%. As

a result, the Group's management does not consider the need for a higher expected increase in the interest rate in the sensitivity analysis.

### **Liquidity risk**

The ultimate responsibility for managing liquidity risk lies with the Board of Directors, which has built an appropriate liquidity risk management framework to manage the Group's funding and liquidity management requirements over the short, medium and long term. The Group manages liquidity risk by maintaining adequate reserves, continuously monitoring forecast and actual cash flows and matching the maturity profiles of assets to those of financial liabilities.

### **Foreign currency risk**

Currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when income or expenses are denominated in a foreign currency).

The Group is exposed primarily to the exchange rate of RON against EURO. The sensitivity analysis is performed by management using a 10% increase/decrease in RON against EURO and is monitored periodically. This assumption has not changed from previous years and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only monetary items in foreign currency and adjusts their translation at the end of the period for a 10% change in foreign exchange rates.

### **Litigations**

The Group is involved in various litigations as part of the normal course of business. Management has assessed the legal status together with the Group's legal advisors and all necessary adjustments have been recorded in the consolidated financial statements.

### **Off-balance sheet arrangements**

As of December 31, 2024, the Group was not party to any other off-balance sheet obligation or commitment.

### **Changes in Accounting Policies**

To the Company's knowledge, there are no material accounting standards applicable to the Group that would require a prospective change to any of the Group's accounting policies.

### **Material accounting policies**

Details of the material accounting policies and methods adopted, including the recognition criteria, the measurement basis and the basis on which income and expenses are recognized, for each class of financial assets, financial liabilities and equity instruments are presented in the Consolidated Financial Statements.

## **SUBSEQUENT EVENTS**

### **Completion of the acquisition of the Routine Med group from Tulcea**

On February 4, 2025, MedLife announced the completion of the acquisition of the majority stake in the Routine Med group in Tulcea, an acquisition initiated in October 2024. The Routine Med group includes a hospital unit equipped with an operating room, a day and continuous hospitalization compartment, as well as an outpatient clinic. Through this acquisition, the Group expands its national footprint in the southeast of the country, where it is already present with collection points, a laboratory in Constanta, as well as three hyperclinics in Constanta, Galati and Braila.

### **18 / 19 March 2025 GSM**

On February 13th, 2025, the Convening Notice for the Extraordinary and Ordinary General Meetings of Shareholders (EGSM & OGSM) scheduled for March 18 /19, 2025 was published. The main point subject to MedLife shareholders' approval was the:

- Extension of the credit limit by an additional amount of up to EUR 50 million, with the possibility of adding an additional "Accordion Facility" of up to EUR 25 million;

All items on the agenda were approved at the GSM of March 18, 2025.

### **Convening the Annual OGMS**

On March 21, 2025, the Notice of the Annual General Meeting for April 29/30, 2025 was published. The main points subject to approval by MedLife shareholders are:

- Audited annual financial statements for 2024, at individual and consolidated level;
- MedLife Group Annual Report;
- Discharge of liability of the Board of Directors' members;
- Budget of revenues and expenses for the year 2025, at both individual and consolidated levels;
- Remuneration Report, subject to the consultative vote of shareholders.

Shareholders registered in the shareholders' register kept by Depozitarul Central S.A., at the end of April 11, 2025, established as the Reference Date for the OGMS, have the right to vote therein.

### **Acquisition of All Clinic from the Republic of Moldova**

On March 20, 2025, MedLife announced the acquisition of the majority stake in the All Clinic group in the Republic of Moldova, this being the Group's second transaction outside Romania. Founded in 1999, the All Clinic Group brings together three private, multidisciplinary clinics, under contract with the National Health Insurance House of Moldova. With their help, clients have access to outpatient medical services that integrate 20 medical specialties, including family medicine, ENT, pediatrics, gastroenterology, cardiology, neurology and gynecology. According to company representatives, All Clinic ended last year with a turnover of EUR 800,000 and a double-digit EBITDA margin. The Group will use this strategic move to explore a new market and scale the business.

There were no other significant events after December 31, 2024.

## **SUSTAINABILITY STATEMENT OF THE GROUP**

The following Sustainability Statement is an integral part of the Administrators' Report for the financial year 2024.





SISTEMUL MEDICAL

**MedLife**

# **SUSTAINABILITY STATEMENT OF MEDLIFE GROUP 2024**

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**Disclaimer**

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This statement may contain forward-looking statements. These statements reflect the Group's current knowledge, expectations and projections about future events and can be identified by the context of such statements or by words such as "anticipates", "believes", "estimates", "expects", "intends", "plans", "projects", "targets", "may", "will", "could", "would", "would be", "could be", "should", "should be" or similar terminology. By their nature, forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond the Group's control, that could cause the Group's actual results and performance to differ materially from the results and performance expressed or implied by any forward-looking statements. None of the future predictions, expectations, estimates or outlook contained in this statement should be regarded in particular as forecasts or promises, nor should they be regarded as implying any indication, assurance or guarantee that the assumptions on which future predictions, expectations, estimates or outlook have been made or the statements and representations contained in this statement are correct or complete. As a result of these risks, uncertainties and assumptions, these forward-looking statements should not be relied upon as a prediction of actual results or otherwise.

This document does not propose to contain all the information that may be necessary with respect to the Group, its actions and, in any event, each person receiving this report should make an independent assessment. The Group undertakes no obligation to release publicly the results of any revisions to these forward-looking statements contained in this document that may arise as a result of changes in its expectations or to reflect events or circumstances after the date of this document. This report and its contents are the property of the Group and this document, or any part of it, may not be reproduced or redistributed to any other person.

**Note:**

In this document, the term "sustainability" is used instead of "durability" and "materiality/material" instead of "significance/significant", when they appear in the expressions "double materiality analysis" and "significant impacts, risks and opportunities", as terms mentioned in MFP Order no. 85/2024 and ESRS Standards.

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## I. ESRS 2 - GENERAL INFORMATION

### [BP-1] - General basis for preparation the sustainability statement

The 2024 Sustainability Statement is prepared on a consolidated basis, including the parent company, Med Life S.A. and all its subsidiaries. Med Life S.A. is the only entity in the Group that is subject to the CSRD<sup>1</sup> ("Corporate Sustainability Reporting Directive") on an individual basis for the financial year 2024, being a large listed company (i.e. a public interest entity). The other companies in the Group do not have an individual reporting obligation for the financial year 2024 as they are not public interest entities. However, Med Life S.A., as the parent company of a large Group, prepares consolidated annual financial statements<sup>2</sup> and, starting in the financial year 2024, is also required to prepare a consolidated sustainability statement that will be part of the Annual Report prepared on a consolidated basis for the financial year 2024. With respect to the consolidation of the sustainability disclosures presented they are consolidated according to the same principles as the financial statements, unless otherwise specified. The complete list of subsidiaries included in the Sustainability Statement is reported in the *Note 1 Description of the business to the Consolidated Financial Statements of the Group*.

The Group's Sustainability Statement has been prepared, for the period January 1 - December 31, 2024 for the first time, in line with CSRD requirements and ESRS standards therefore it does not include comparatives with any prior periods. The statement also integrates the upstream and downstream value chain in the process of assessing the materiality of the impacts, risks and opportunities (IROs) identified in these segments. Where the company's policies and actions also extend to the value chain, this is explicitly mentioned in the corresponding reporting requirements in the thematic ESRS standards and in the MDR under ESRS 2. In terms of metrics, the value chain information refers exclusively to greenhouse gas (GHG) emissions, in line with ESRS E1-6.

The Group has not exercised the option to omit information that corresponds to intellectual property, know-how or innovation results, as set out in section 7.7 of ESRS 1 on classified and sensitive information. The company also did not use the exception provided for in Article 19a(3) or 29a(3) of Directive 2013/34/EU transposed by MFP Order No 85/2024, which allows the exclusion of information relating to imminent developments or matters under negotiation.

Therefore, the Group Sustainability Statement covers the upstream and downstream value chain in line with the requirements of ESRS 1, section 5.1 *Reporting Undertaking and Value Chain*.

Accounting policies have been consistently applied in the financial year 2024 and are included in detail within this Sustainability Statement. The Company will periodically re-evaluate the use of estimates and judgments made based on experience in applying the accounting policies, the development of sustainability reporting and other factors. Changes in the preparation or presentation of sustainability disclosures are recognized in the period in which the estimate in question is revised. For additional information on the key estimates, judgments and assumptions applied, please refer to the sustainability disclosures quantitative data tables pages within this Statement.

In preparing the Sustainability Statement, the Group received support from an independent consultant, Sustainability Lens SRL.

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<sup>1</sup> transposed by MFP Order No 85/2024

<sup>2</sup> According to ESRS 1.62 "if the reporting undertaking is a parent company that is required to prepare consolidated financial statements, the sustainability statement shall be for the group".

### [BP-2] - Disclosures in relation to specific circumstances

The Group has adopted the short-term, medium-term and long-term time horizons as defined in section 6.4 of ESRS 1, without deviation. According to these standard definitions, the short term is considered to be up to one year, similar to the reporting period used for the 2024 financial statements, the medium term extends from the end of the short-term reporting period to five years and the long term covers a period exceeding five years. These timeframes have been consistently used in the reporting, reflecting a standardized approach aligned to ESRS 1 requirements, with no adjustments required.

The metric reported for the upstream and downstream value chain refers exclusively to greenhouse gas (GHG) emissions under Scope 3. It is the only metric used to reflect the impact on the value chain according to the established reporting standards. The GHG emission estimates in Scope 3 have been made in accordance with the GHG Protocol, using indirect sources such as sector average data or other relevant sources of information reflecting value chain activities. These estimates are based on standardized methodologies that allow assessing the indirect impacts of the company's activities. Scope 3 emission estimates have been made with a level of accuracy considered appropriate under the GHG Protocol. However, as they are based on indirect sources and sector average data, there is a certain degree of uncertainty associated with these estimates. Their level of accuracy is clearly specified in the Sustainability Statement under reporting requirement E1-6 of ESRS E1. In order to improve the accuracy of Scope 3 emissions estimates, the company will work more closely with suppliers and value chain partners to obtain direct and accurate data, rather than relying solely on sector average estimates. These actions will be planned over the next three years to ensure greater accuracy in the future and reduce uncertainty in the estimates. These measures and estimates are presented in the report as required by ESRS E1 and reflect the company's commitment to transparency and accuracy in reporting its climate change impacts.

The Group has also used estimates to calculate the following quantitative metrics and monetary values: energy consumption and the energy mix in E1-5, GHG emissions in Scope 1 and Scope 2 in E1-6, the amount of municipal waste presented in E5-5, the weight of material inputs presented in E5-4, the water consumption presented in E3-4, the number of pollutants in water and the amount of microplastics generated presented in E2-4. Information on the sources of uncertainty, assumptions, proxy and reasoning applied by the Group in the measurement of these metrics is detailed within each relevant topical standard that includes such quantitative data.

In the Sustainability Statement, the Group has included the following additional disclosures that derive from other legislation requiring sustainability reporting or from generally accepted reporting standards and frameworks in addition to the ESRS requirements, as follows:

Further information	Standard	Place
<b>GRI 202-2</b> Proportion of senior management employed from the local community	GRI Standards	ESRS S3 - [S3] - Presentation of Group specific information: - Market presence - Economic value generated and distributed
<b>GRI 201-1</b> Direct economic value generated and distributed		
<b>HC-DY-270a.1.</b> Description of policies or initiatives to ensure that patients are adequately informed of the price before undergoing a procedure	SASB	ESRS G1 [G1] - Presentation of Group specific information: - <i>pricing and billing transparency</i> - <i>fraud and unnecessary procedures</i> - <i>competitive behavior</i>
<b>HC-DY-270a.2.</b> Discussion on how price information for services is made public		



Further information	Standard	Place
<b>HC-DY-510a.1.</b> Total amount of monetary losses as a result of legal proceedings associated with medical fraud		
<b>GRI 206-1</b> Legal actions for anticompetitive behavior, antitrust and monopoly practices		

The following information is incorporated by reference to other sections of the current Sustainability Statement and to other sections of the 2024 Consolidated Financial Statements:

Information included by reference	Reporting section	Page
ESRS 2 BP-2 10 b) and c)	E1-6 of ESRS E1	59
ESRS 2 BP-2 11 b) i, ii	E2-4 of ESRS E2	68
	E3-4 of ESRS E3	74
	E5-4 of ESRS E5	78
	E5-5 of ESRS E5	81
E1 GOV 3	GOV 3 within ESRS2	14
G1 GOV 1	GOV 1 within ESRS2	7
SBM-1 40 b)	Note 19 Revenue from contracts with customers	
SBM-3 48 d)	E2.IRO-1 within E2	64
SBM-3 48 d)	E3.IRO-1 within E3	72
SBM-3 48 d)	E5.IRO-1 under E5	76
SBM-3 48 d)	S1.SBM-3 of S1	83
SBM-3 48 d)	S4.SBM-3 within S4	119
E2.IRO-1	E2.IRO-1 within E2	64
E3.IRO-1	E3.IRO-1 within E3	72
E3.IRO-1	E5.IRO-1 under E5	76
G1.IRO-1	G1.IRO-1 within G1	136
S1.SBM-3	S1.SBM-3 of S1	83
S2.SBM-3	S2.SBM-3 of S2	104
S3.SBM-3	S3.SBM-3 in S3	111
S4.SBM-3	S4.SBM-3 within S4	119
MDR-P 65 a) regarding the monitoring mechanism, c), d), e) and f) on Sustainability Policy in ESRS sections E2, E2-1	E1-2 of ESRS E1	55
MDR-P 65 a) regarding the monitoring mechanism, c), d), e) and f) on Sustainability Policy in ESRS sections E3, E3-1	E1-2 of ESRS E1	55
MDR-P 65 a) regarding the monitoring mechanism, c), d), e) and f) on Sustainability Policy in ESRS sections E5, E5-1	E1-2 of ESRS E1	55

Information included by reference	Reporting section	Page
MDR-P 65 a) regarding the monitoring mechanism, c), e) and f) on Sustainability Policy in ESRS sections S1, S1-1	E1-2 of ESRS E1	55
MDR-P 65 a) regarding the monitoring mechanism, c), e) and f) on Sustainability Policy in ESRS sections S2, S2-1	E1-2 of ESRS E1	55
MDR-P 65 a) regarding the monitoring mechanism, c), d) and f) on Sustainability Policy in ESRS sections S2, S2-1	S1-1 of ESRS S1	87
MDR-P 65 a) regarding the monitoring mechanism, c), d) and f) on Sustainability Policy in ESRS sections S3, S3-1	E1-2 of ESRS E1	55
MDR-P 65 c), e) and f) on Sustainability Policy in ESRS sections S4, S4-1	E1-2 of ESRS E1	55
MDR-P 65 c), d), e) and f) on Sustainability Policy in ESRS sections G1, G1-1	E1-2 of ESRS E1	55
G1 - 3	Reported within G1-1	138

The Statement of Sustainability for the period January 1 to December 31, 2024, part of the Annual Report has been subject to a limited assurance engagement performed by the Company's auditor, Deloitte Audit SRL. Please refer to the Limited Assurance Report, which includes a description of the assurance activities conducted by the external auditor.

### **[GOV-1] – The role of the administrative, management and supervisory bodies**

#### **Board of Directors**

According to the Articles of Incorporation of the Company, Med Life S.A. is managed in a unitary system, by a Board of Directors consisting of seven members appointed by the Ordinary General Meeting of Shareholders for a term of 4 years, with the possibility of re-election for subsequent terms of 4 years. The CVs detailing the professional experience and qualifications of the candidates proposed for the position of director are published on the company's website and made available to the public and all interested parties, thus ensuring transparency and consultation of these third parties throughout the selection process.

*Information table showing the composition, diversity and expertise of the members of the BoD*

Member	Gender	Function	Role	Sustainability expertise		
				E	S	G
				E1, E2, E3, E5	S1, S2, S3, S4	G1
Mihail MARCU	M	BoD President	Executive	✓	✓	✓
Nicolae MARCU	M	BoD Member	Executive	✓	✓	✓
Dorin PREDA	M	BoD Member	Executive	✓	✓	✓
Dimitrie PELINESCU-ONCIUL	M	BoD Member	Non-exec.			✓
Ana Maria MIHĂESCU	F	BoD Member	Indep.non-exec.	✓	✓	✓
Voicu CHEȚA	M	BoD Member	Indep.non-exec.			✓
Ovidiu FER	M	BoD Member	Indep.non-exec.			✓

Categories	Female	Male	Independents
Gender representation and independent members	14%	86%	43%

The Group takes into account gender diversity in the structure of the Board of Directors, calculating the percentage as the average ratio of female to male Board members. The percentage of independent members of the Board of Directors is also an important metric, calculated as the proportion of independent members of the Board of Directors. This percentage refers to non-executive members of the Board. The Board has three executive and four non-executive members.

With regard to the representation of employees and other workers on the Board of Directors, there are no members specifically designated to represent employees or other categories of workers in the current Board structure. Under Romanian Law, there is no legal obligation to include employee representatives on the Board of Directors of a private company. MedLife remains committed to complying with the legislative requirements in force and will take all necessary steps to adapt the management structure if such requirements become applicable in the future.

At Board level, two advisory committees have been established: the Remuneration Committee and the Audit Committee.

The Remuneration Committee has the following main responsibilities:

- Decisions on the remuneration of Executive Committee members and other non-executive Board members. In making such decisions, the Remuneration Committee shall take into account the long-term interests of shareholders, investors and other stakeholders in MedLife's business;
- Enforcement of Board of Directors decisions falling within the scope of the Committee.

At the level of the Audit Committee, which supports the activity of the Board of Directors, responsibilities are assigned regarding the oversight of financial matters, internal control, and risk management. These activities include, indirectly, also the management of financial risks associated with sustainability issues. Responsibility for the operational activity of the Group is delegated to the Executive Committee, in accordance with the limits and regulations laid down in the Articles of Incorporation and the Internal Rules of the Board of Directors.

### **Executive Committee**

According to the Articles of Incorporation, the Board of Directors appoints a maximum of ten directors for a period of 4 years, who shall exercise the duties and have the responsibilities specific to the office held, and shall perform their duties within the Executive Committee. In 2024 there were two structures for the Group Executive Committee. Accordingly, from January 1 to October 21, 2024, the Executive Committee consisted of ten members made up of a group of executive managers, with an active role in managing the Group's functions, business lines and central units. As of October 21, 2024, by the decision of the Board of Directors, the structure of the Executive Committee became more flexible, with the number of members being reduced from ten to five, with four appointed members and one position remaining vacant. The new Executive Committee will serve a four-year term, until October 20, 2028.

*Information table showing the composition, diversity and expertise of the Executive Board members*

Member	Gender	Function	Sustainability expertise		
			E	S	G
			E1, E2, E3, E5	S1, S2, S3, S4	G1
Mihail MARCU	M	Chief Executive Officer (CEO)	✓	✓	✓
Nicolae MARCU	M	Chief Healthcare and Operations Officer	✓	✓	✓
Dorin PREDA	M	Deputy Chief Executive Officer	✓	✓	✓
Oana-Alina Irinoiu	F	Chief Financial Director			✓

Categories	Female	Male
Gender Representation	25%	75%

The Executive Committee is supported by a team of senior and functional managers (Operational CEX), who play a key role in implementing operational and financial plans, monitoring performance and managing operational risks, including sustainability issues. In addition, this structure is supported by a medical management system, designed to ensure the quality of services and the management of medical risks, thus addressing the actual or potential impacts of medical services on the Group's patients.

### Skills and expertise

The Group is committed to maintaining a balanced structure of the Board of Directors, Advisory Committees and Executive Committee to ensure both the relevant skills and level of experience and an appropriate degree of independence. All members of these structures have experience in the geographical areas in which the Group operates, and some of them also have experience in other parts of Europe. Within MedLife's Board of Directors, Mr. Nicolae Marcu and Prof. Dr. Dimitrie Pelinescu-Oniciu are the two members who bring specific expertise and education in the medical sector, with a strong academic background and direct experience in the health sector. Their presence on the Board of Directors also ensures that the legal requirements for a minimum number of physicians on the Board are met.

*Mihail Marcu* is a successful leader with extensive experience in company management and administration, having played a key role in the development of MedLife. He is currently Member and Chairman of MedLife's Board of Directors as well as CEO of the company. Previously, he was CEO of MedLife between 2004 and 2006 and held important positions in the banking sector, including Vice President of RoBank S.A. (now OTP Bank Romania S.A.). He is also founder of the Romanian Business Leaders Foundation, actively contributing to the development of the Romanian business environment.

Under his leadership, MedLife has expanded considerably, becoming a leader in the Romanian private healthcare market. He coordinated growth strategies, acquisitions and technological innovations, modernizing services and improving the patient experience. Through his vision, Mihail Marcu had a major impact in the consolidation and expansion of MedLife, both nationally and internationally.

*Dr. Nicolae Marcu* is a specialist in psychiatry with more than 20 years of experience, with an outstanding career in both medical practice and health services management. A graduate of UMF "Carol Davila" in Bucharest, he has been involved in academic activities, international clinical trials and specialized publications. Between 2005 and 2016, he was General Manager of MedLife S.A., playing a key role in the company's development into the largest private healthcare operator in Romania. He contributed to the

expansion of the network of clinics, hospitals and laboratories, implementing standards of excellence and innovative services.

*Mr. Dorin Preda* is a financial leader with over 25 years of experience in the banking and healthcare sector, specializing in growth strategies, financial management and mergers and acquisitions (M&A). He is currently MedLife's Deputy CEO and a member of the Board of Directors, having been instrumental in the company's expansion through organic growth and strategic acquisitions. Previously, he held senior positions in HVB Bank and Banca Comercială Ion Țiriac, contributing to the growth of the corporate and SME client portfolios and the merger process between the two institutions. He also had a significant impact in the development of financial products for SMEs at Raiffeisen Bank. With his strategic expertise and ability to manage relationships with investors and financial institutions, Dorin Preda has been a key factor in consolidating MedLife as a leader in the Romanian private healthcare market.

*Prof. Dr. Dimitrie Pelinescu-Onciul* is a renowned specialist in obstetrics-gynecology, with an outstanding career in medical practice, academic activity and health services development. A graduate of UMF "Carol Davila" in Bucharest, he completed his training with a PhD in Medical Sciences and international courses in ultrasonography, gynecologic oncology and maternal-fetal medicine. A university professor and mentor to many generations of physicians, he has published more than 150 scientific papers and contributed to the drafting of reference treatises. He was a leader in multiple scientific societies and national coordinator of obstetric ultrasonography education for over a decade. As a consulting physician at Life Memorial Hospital and a member of the Board of Directors of MedLife S.A., he has significantly influenced standards of care, the development of innovative programs, and the expansion of private medical services offered by the Company.

*Ms. Ana-Maria Mihăescu* is a leading banking and finance professional and a recognized leader in corporate governance, ESG and sustainability. With a career spanning more than three decades, she has contributed significantly to the development of key financial institutions including Eximbank and the World Bank Group. She was instrumental in the founding of Eximbank, where she held senior positions such as Director, Vice President and President, developing tools to support Romanian exporters. Subsequently, she spent 25 years with the World Bank Group, where she was involved in various strategic projects and initiatives in the areas of finance, education and corporate governance.

Since 2017, she has focused on board leadership roles, holding positions as non-executive director and chair of the Audit Committee at MedLife SA, where she contributed to corporate governance and ESG integration. She was also Chairman of the Board of OMV Petrom Foundation, supporting education, health and environmental initiatives. Through her expertise in ESG risk management and sustainability, Ana-Maria Mihăescu promotes the integration of social responsibility and environmental protection in companies' strategy, having a significant impact on the sustainable development of the business environment in Romania and the region.

*Mr. Voicu Cheța* is a lawyer with over 20 years of experience in the legal field and a specialist in corporate governance, risk management and development strategies. Throughout his career, he has held positions on the boards of major listed and non-listed companies, having a significant impact on their direction and success. Since 2020, he has been a member of the Board of Directors of MedLife SA, where he contributes his legal expertise to strategic decision making, the company's expansion and strengthening investor relations. Through his ability to manage complex legal challenges and implement effective solutions, Voicu Cheța makes a valuable contribution to the sustainable growth and corporate governance of the organizations he supports.

*Mr. Ovidiu Fer* is an investment and capital market expert with over 15 years of experience in fund management and strategic consulting. Currently, he is co-founder and Managing Director of Alpha Quest Funds Sicav, managing assets of approximately EUR 150 million, and a member of the Advisory Board



of GapMinder VC Fund, a EUR 40 million venture capital fund. Since 2022, he is a member of the Board of Directors of MedLife SA, contributing to the strategic direction and development of the Group. Previously, he was involved in the management of the IJC Funds, facilitating a successful exit with a 33% return in 20 months. He also held key roles at WOOD & Company and coordinated major capital market transactions in Romania, including secondary public offerings for Transgaz and OMV Petrom. Ovidiu Fer holds an MBA from INSEAD, with additional studies at Harvard Business School and Wharton. He is an active investor in fintech, medtech and RPA startups. In addition, he is the founder of the Education through Rugby Foundation, supporting underprivileged children, and an advocate of capital market regulation through the OPPC.

The seven members of the Board of Directors were voted by the General Meeting of Shareholders on December 15, 2020, for a four-year term and reconfirmed by the General Meeting of Shareholders on November 21, 2024, for a new four-year term starting on December 22, 2024.

The Executive Committee includes both people with education and experience in the healthcare sector acquired both within the Group and in the public healthcare environment (Dr. Nicolae Marcu), as well as people with financial and managerial education and experience gained within the Group, but also in international financial-banking and auditing institutions (Mr. Mihail Marcu, Mr. Dorin Preda and Mrs. Alina-Oana Irinoiu).

*Ms. Oana-Alina Irinoiu* is CFO of Group and member of the Executive Committee since October 2022. A graduate of the Bucharest Academy of Economic Studies, Faculty of International Economic Relations, Alina has extensive experience in financial audit, mergers and acquisitions (M&A) and investor relations. Between 2018 and 2022, she coordinated the Investor Relations function at MedLife, playing a key role in strengthening the company's relationships with investors and financial analysts, ensuring transparent communication about the Group's financial performance. In parallel, she has been actively involved in the Group's M&A activity, contributing to the Group's accelerated development, opportunity assessment and post-acquisition integration, having a significant impact on the expansion of MedLife's portfolio. Previously, Alina worked for 5 years in financial audit, specializing in performance analysis of financial institutions and audit of complex transactions. This experience has strengthened her analytical and strategic skills, essential in her current role. As MedLife's CFO, Alina contributes to the development and implementation of the Group's financial strategies, playing a key role in supporting the company's sustainable growth and expansion in the local and international markets.

The Board of Directors conducts an annual self-assessment process, based on a guideline that sets out the purpose, criteria and frequency of this assessment. The level of independence of the members of the BoD is assessed in accordance with the criteria set out in the Corporate Governance Code of the Bucharest Stock Exchange in force for the year 2024. Also, in order to ensure continuous professional training and development, with direct effects in the activities and roles held within the Group, the members of the BoD have access to training and education programs in the areas managed, to specialized events and conferences, as well as to the expertise of external consultants, as appropriate. During 2024, MedLife did not have any formal training sessions at Board or Executive Committee level on topics in the area of sustainability that would enhance the expertise and skills of its members in sustainability matters, but they did benefit during the course of the double materiality analysis (DMA) process and the preparation of the sustainability statement from the services of a sustainability consultant with extensive experience in this area. The Group intends to organize at least one information/training session in the field of sustainability for members of the Board of Directors and the Executive Committee by 2025.

### ***Sustainability roles and responsibilities***

The Board of Directors together with its Advisory Committees play a key role in setting the business and sustainability strategy, including long-term objectives and resource requirements, and in ensuring good

corporate governance at Group level. During 2024, MedLife did not have in its corporate governance structure a committee with dedicated responsibilities for managing sustainability issues. These duties are currently managed by the Board of Directors and by assimilation by the Audit Committee, the Executive Committee as well as the Operational CEX. As such, the Board of Directors, under the Articles of Incorporation, has overall responsibility for the management of the Group, including subsidiaries and investments. This responsibility may be extended to include oversight of the Sustainability IROs as they have the potential to influence the Group's overall performance and strategy. In carrying out its functions, the Board of Directors ensures that sustainability issues are taken into account, including the IROs generated by its own activities and value chain. At the same time, in order to enhance the resilience of the organization, the Board of Directors will in the future develop specific mechanisms to manage IROs that are considered material and to which the Group may be exposed.

The Group's Board of Directors also plays a key role in defining and implementing the Code of Ethics and Code of Conduct, not only through its own actions, but also by appointing and supervising the executive management. High ethical standards are an integral part of the Group's strategy and are applied in both current business and long-term objectives to ensure a responsible and transparent business environment. The Audit Committee plays a central role in monitoring the effectiveness of internal control systems and risk management, including financial reporting and compliance with applicable regulations. Its regular assessments provide a robust framework for identifying, preventing and managing risks, while ensuring accurate and accountable reporting.

Responsibility for the implementation of the Code of Ethics is shared at all levels of the organization, with each department having the role of ensuring that these principles are respected and applied. Group's management facilitates a climate of open communication, ensuring that ethical rules are communicated and consistently applied throughout the organization. All employees have an obligation to comply with applicable legislation and to report any misconduct, thus contributing to an ethical and responsible business environment.

The Board of Directors, the Audit Committee and the Executive Committee are the structures responsible for upholding the highest standards of professional conduct at Group level. The members of these structures have extensive experience in areas such as management, finance, medicine, law and corporate strategy, thus contributing to the promotion of an organizational culture based on business ethics, transparency and accountability. In terms of business ethics, MedLife places particular emphasis on: business integrity and ethics, through internal policies that combat corruption, bribery and by adhering to strict corporate governance principles; whistleblower protection, encouraging the reporting of any ethical misconduct and providing protection to whistleblowers; managing relationships with suppliers, by promoting fair payment practices and transparent collaboration with its partners; and ensuring transparent and compliant interactions with authorities.

The Executive Committee and the Operational CEX are responsible for implementing and monitoring the application of MedLife's Code of Ethics and Code of Conduct, Sustainability Policy, Code of Social Responsibility, Protection of Public Interest Whistleblowers, Remuneration Policy, Code of Conduct, Policy on Preventing and Combating Discrimination and Harassment in the Workplace, and Occupational Health and Safety Policy, thus ensuring rigorous management of sustainability issues and IROs. They ensure that these principles are adhered to by maintaining constant communication with the Board of Directors and advisory committees. Any breach of the Code of Ethics and Conduct, the Sustainability Policy or other professional conduct policies is treated seriously and may result in disciplinary sanctions and, in serious cases, legal action. At the operational level, each department within the Group is responsible for the application of these policies, and employees are required to comply with the regulations in force and to promptly report any non-compliance identified.

Oversight of sustainability impacts, risks and opportunities is delegated to the Executive Committee, while the Operational CEX is in charge of the achievement of sustainability objectives and targets, under the close monitoring of the Board of Directors.

The way in which the Executive Committee reports to the Board of Directors and the Operational CEX managers' report to the Executive Committee ensures continuous monitoring of performance and risks, including all relevant aspects of sustainability issues.

The Operational CEX, through weekly meetings, monitors business risks and market opportunities, activities which also include sustainability topics relevant to the Group's financial performance and impact. The team develops an annual budget that includes key performance indicators (KPIs) and financial targets, which are subsequently approved by the Executive Committee and the Board of Directors. Although the budget does not include explicit references to sustainability themes, the financial and operational targets set may indirectly cover such issues, such as operational efficiency or reducing reputational risks.

The medical management system also plays an additional role by implementing protocols and monitoring medical risks, thus contributing to the achievement of health sustainability objectives. This system tracks and manages the impacts on patients resulting from medical activities by regularly assessing cases, reviewing existing protocols and adopting new procedures to ensure the safety and quality of care. This approach reflects the Group's concern for the responsible management of medical risks and impacts on its patients.

Although the company's Articles of Incorporation and internal regulations do not contain explicit references to the impacts, risks and opportunities related to sustainability issues, the overall responsibilities of the Board of Directors, the Audit Committee, the Executive Committee and the Operational CEX - allow to address these issues, in particular by:

- Tasks related to the management of financial risks and opportunities may also include sustainability risks and opportunities, given their influence on overall economic performance as well as sustainability impacts.
- The monitoring and control systems in place are relevant for identifying and managing the impacts of the Group's activities as well as sustainability risks and opportunities.

The Group does not currently have specific material IRO targets associated with sustainability themes. However, the existing governance structures - the Board of Directors, Audit Committee and Executive Committee - have roles and responsibilities that create the necessary framework for setting and monitoring these targets in the future. For greater clarity and alignment with reporting requirements, in 2025, the Group will consider revising some internal regulations, policies and procedures to include sustainability responsibilities.

#### **[GOV-2] - Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies**

In 2024, an internal methodology has been developed at Group level to carry out the DMA process in accordance with ESRS 1 and ESRS 2. This process will be resumed annually for updating. Responsibility for the implementation of this internal methodology has been assigned to a member of the Executive Committee, the CFO.

In this endeavor, the CFO is supported by two teams: the Coordinating Sustainability Team and the Extended Sustainability Team made up of selected members from the main Group companies. End of 2024, the position of Sustainability Manager has been created at Med Life S.A., the parent company, position that coordinates the activities of the entire Group. This person is coordinating the Sustainability

Team and will be responsible for the implementation of the whole process of preparing the Sustainability Statement, including setting/reviewing policies, action plans and targets needed to manage all aspects of sustainability for the Group. In 2025, the Group aims to align its internal control tools with the requirements of the CSRD and ESRS standards based on the results of the double materiality process conducted in 2024, thereby strengthening the integration of these processes into the overall Group management framework.

For the realization of the 2024 Sustainability Statement, there have been briefings to the Board of Directors and Audit Committee from the Coordinating Sustainability Team on the status of preparation of the Sustainability Statement, as well as on the material IROs identified through the DMA process. In 2024, the internal methodology for the DMA allowed for a detailed assessment of the IROs correlated to the sustainability matters mentioned in ESRS 1. The Audit Committee was briefed twice during the DMA process on the progress made: while the process was ongoing and at the end when the DMA report was presented. The DMA report contains the list of significant IROs, the results of the assessment process and details of the stakeholder consultation process. The DMA Report was reviewed and approved by the Board of Directors.

The Executive Committee will present in 2025, based on the proposal of the Sustainability Coordinating Team, the Audit Committee and the Board of Directors, the policies, action plans, metrics and targets required for the effective management of all IROs that have emerged as material as a result of the DMA process. In addition, during 2025, until the start of a new DMA process, the Executive Committee will receive from the Sustainability Coordinating Team at least a briefing on the results and effectiveness of the policies, actions and metrics adopted to manage these issues. This briefing will then be presented to the Audit Committee and the Board of Directors to support strategic decisions in line with the Group's business objectives.

From 2025 onwards, sustainability IROs resulting from the annual DMA process will be reviewed and analyzed by MedLife's management and, where appropriate, decisions on the Group's development strategy will be revised. In this regard, a robust risk management framework will be developed to enable early identification of emerging risks and assessment of opportunities for innovation and growth. Stakeholder perspectives will be taken into account throughout this process and will be consulted as part of each DMA process, including to assess how the Group's strategic decisions affect communities, employees and the environment. Managing sustainability-related IROs will be an important part of the decision-making process for the realization of major projects and the implementation of a new strategic sustainability goal.

In 2024, the Group conducted the DMA process for the first time and the results of this process were presented to the Audit Committee and the Board of Directors in early 2025. Therefore, for the 2024 reporting period, a list of significant IROs reviewed by the governing bodies during the year was not available. Starting in 2025, the Group will integrate the annual DMA process into its reporting and governance processes and the list of identified IROs will be discussed and approved by the management and supervisory bodies at the finalization of each annual DMA process. This practice will enable full alignment with CSRD and ESRS requirements and a more effective integration of sustainability issues into the Group's decision making.

### **[GOV-3] - Integration of sustainability-related performance in incentive schemes**

During 2024, MedLife did not have in place any incentive schemes related to sustainability performance for members of the Board of Directors or Executive Committee, respectively members of the Operational CEX responsible for the day-to-day operations of the company. Furthermore, at Group level there is no specific mechanism in place whereby the remuneration of members of the administrative and management bodies is directly linked to greenhouse gas (GHG) emission reduction targets.

### ***Main features of MedLife incentive schemes***

At the General Meeting of Shareholders held on October 10, 2024, a new Remuneration Policy ("Amended Remuneration Policy") was approved, aimed at supporting MedLife's business strategy, as well as the long-term sustainability and interests of the Company. This objective is achieved by establishing, within the Remuneration Policy, a set of clear and transparent rules that the Company will adhere to regarding the remuneration of its Executives, in order to ensure an appropriate and competitive remuneration system that attracts, retains, encourages performance, and motivates the Company's management personnel. This policy is developed by the Board of Directors on the recommendation of the Remuneration Committee, and once approved, it is the responsibility of the Board to ensure that its provisions are properly implemented throughout the organization.

The Directors receive a fixed remuneration component in the form of a fixed monthly remuneration, which is determined by the MedLife GSM. All Directors receive the same fixed monthly remuneration, with the exception of the Chairman of the Board of Directors, for whom the GSM may set a higher fixed monthly remuneration. No additional allowances will be granted to Directors in charge of specific functions within the Board.

Board Members do not benefit from a variable remuneration component and also have the following benefits: the equivalent in RON of EUR 12,500 per year (medical subscription in the MedLife network, professional training courses/coverage of study expenses for the Administrator or for a first degree relative, subscription or membership fee to a gym/sports club for the Administrator and family members (spouse, children)). With the exception of participation in the public pension system and, implicitly, in pillar II of the Romanian pension system (i.e. privately managed pension funds), the Administrators do not benefit from MedLife's contributions to voluntary pension schemes. Directors' remuneration is set by the BoD, in compliance with the general limit of Directors' remuneration approved in advance by the GSM. The remuneration package includes

- fixed remuneration component in the form of a fixed monthly allowance,
- a variable remuneration component (with a short-term and a long-term incentive component),
- other benefits.

The monthly fixed allowance is set for each individual Director, based on relevant professional experience, organizational responsibility, complexity of duties, level of complexity of duties compared to similar positions in the market, specifics of the company and similar entities listed in the general remuneration framework in MedLife, in order to avoid situations where non-Director employees (except for physicians) receive significantly higher monthly fixed allowances than Directors.

In addition, the fixed monthly allowance of any Director shall not exceed the level of the fixed monthly allowance granted to the Chief Executive Officer and between the minimum and maximum fixed allowances approved for MedLife Directors (excluding the fixed allowance of the Chief Executive Officer), there shall not be a difference of more than 30%. In addition, the monthly fixed remuneration of the Executive Directors in their two capacities within MedLife may be cumulated.

Variable remuneration includes both a short-term incentive component, which may be granted for each financial year in the form of a one-off annual payment (annual performance bonus), and a long-term incentive component, consisting of the grant of MedLife shares, the actual grant of which is subject to the fulfillment of certain specific conditions.

The total variable remuneration of each Director shall not exceed the maximum ceiling of 70% (maximum variable remuneration opportunity) of the amount of the annual fixed allowance (i.e. as a ratio of the monthly fixed allowance multiplied by 12). Within the variable remuneration, the short-term incentive component may be up to 30% of the maximum total variable remuneration opportunity and the long-



term incentive component may be up to 70% of the total variable remuneration opportunity. The short-term incentive component aims at each Director being directly co-interested in the achievement of the Company's objectives in the short term (1 year) and incentivizing the performance of duties at a higher qualitative level, with direct involvement in the achievement of targets and represents a fixed amount, settled in cash, which may be granted in the year following the end of the financial year of reference, in whole or in part, based on an objective assessment, endorsed by the Nomination and Remuneration Committee, of the degree of achievement of pre-set objectives (i.e. key performance metrics) set out in an annex to the Director's contract of office.

For Directors and the CEO, 3 to 5 key performance metrics are set for the entire 4-year term of office. These are aligned with MedLife's strategy and shareholder interests and are approved by the BoD on the recommendation of the Nomination and Remuneration Committee. The performance metrics taken into account for the annual performance bonus can be of 3 categories: financial metrics (can have a weighting of up to 40%), functional metrics, directly related to the area of activity of the Directors (can have a weighting of up to 40%) and non-financial metrics (can have a weighting between 10%-30%). The maximum threshold for the achievement of the metrics can be 100% for which 100% of the variable compensation will be granted. The BoD may, for reasoned reasons, decide not to include the short-term incentive component in the remuneration structure for certain Director positions. Without being exhaustive, such reasons may include, but are not limited to, the Director's level of responsibility, the cumulative length of the Director's tenure with the Company and the Director's past performance.

The long-term incentive component is the grant, free of charge, of MedLife shares, on the basis of a corresponding plan approved by the Board of Directors (the Long-Term Incentive Plan), at the end of each interim vesting period, as well as at the end of the total vesting period, a number of MedLife shares corresponding to the respective vesting period. With respect to the vesting period, vesting is both intermediate, i.e. after each year from the grant date, and full, i.e. after 4 years from the grant date. In the case of an intermediate vesting, it implies the distribution for each intermediate cycle (i.e. for each of the 4 successive years) of 25% of the shares allocated to the Director, subject to the vesting conditions set out in this Policy.

In addition, the Directors have a professional liability insurance, the costs of which are covered by MedLife, with a maximum aggregate indemnity value of €5,500,000.

Currently, performance within the Group is not measured against specific sustainability targets and/or impacts. Furthermore, sustainability-related performance metrics are not considered as benchmark performance metrics and are not integrated into the Group's remuneration policies. The variable remuneration of the Group's staff and management does not, at this stage, include a component conditional on the achievement of sustainability targets and/or impacts. This reflects the current state of integration of sustainability criteria into management and remuneration policies, but the Group is exploring the possibility of including such metrics in the future as the sustainability strategy is developed and strengthened.

#### **[GOV-4] - Statement on the due diligence process**

The mapping of the information provided in the Sustainability Statement on the due diligence process is described in the table below. The mapping explains how and where the application of key aspects and steps of the sustainability due diligence process are reflected in the Group's sustainability reporting.

*Table on the main elements of the due diligence process*

Main elements of the Due Diligence Process	Sustainability Statement
A) Embed due diligence in governance, strategy and business model	ESRS 2 GOV-2
	ESRS 2 GOV-3
	ESRS 2 SBM-3
B) Working with affected stakeholders at all key stages of the due diligence process	ESRS 2 GOV-2
	ESRS 2 SBM-2
	ESRS 2 IRO-1, ESRS G1 G1-1, ESRS G1 G1-2
	ESRS E1 E1-1, ESRS E2 E2-1, ESRS E3 E3-1, ESRS E5 E5-1
	ESRS S1 S1-1, ESRS S1 S1-2, ESRS S1 S1-3, ESRS S2 S2-1, ESRS S2 S2-2, ESRS S2 S2-3
	ESRS S3 S3-1, ESRS S3 S3-2, ESRS S3 S3-3, ESRS S4 S4-1, ESRS S4 S4-2, ESRS S4 S4-3
C) Identification and assessment of negative impacts	ESRS 2 IRO-1
	ESRS 2 SBM-3
D) Taking action to address these negative impacts	ESRS E1 E1-1, ESRS E1 E1-3, ESRS E2 E2-2, ESRS E3 E3-2, ESRS E5 E5-2
	ESRS S1 S1-4, ESRS S2 S2-4, ESRS S3 S3-4, ESRS S4 S4-4, ESRS G1 G1-2, ESRS G1 G1-3
	ESRS E1 E1-4, ESRS E1 E1-5, ESRS E1 E1-6, ESRS E2 E2-3, ESRS E2 E2-4, ESRS E2 E2-5, ESRS E3 E3-3, ESRS E3 E3-4, ESRS E5 E5-3, ESRS E5 E5-4, ESRS E5 E5-5
E) Monitoring the effectiveness of these efforts and communicating	ESRS S1 S1-5, ESRS S1 S1-8, ESRS S1 S1-9, ESRS S1 S1-10, ESRS S1 S1-14, ESRS S1 S1-16, ESRS S1 S1-17

**[GOV-5] - Risk management and internal controls over sustainability reporting*****Risk management and internal control processes and systems for sustainability reporting***

In order to ensure effective risk management and a sound internal control system, a robust internal governance framework needs to be implemented at Group level, including the process of preparing the sustainability statement. In line with the requirements of the CSRD Directive and ESRS, the Sustainability Statement is integrated into the Consolidated Annual Report, which also includes the consolidated financial statements. Therefore, the review and approval process for the 2024 Sustainability Statement followed the same rigorous procedures applicable for the approval of the consolidated financial statements. Thus, the Board of Directors is the governance body that reviews and approves the Sustainability Statement. Prior to Board approval, the Executive Committee is responsible for monitoring the process, including the effectiveness of corporate governance, internal control systems.

The Executive Committee is the structure that establishes operational level roles and responsibilities for the implementation of risk management policies, processes and systems, including those arising from the preparation of the Sustainability Statement. The Sustainability Statement at consolidated level is prepared annually by the Sustainability Manager, with the support of the Coordinating Sustainability Team and the Extended Sustainability Team. The Sustainability Manager coordinates the Sustainability Reporting process and reports to the Executive Committee whether the departments and teams involved have sufficient resources, tools or training to fulfill their tasks, including contributing to the preparation of the Sustainability Statement.

In accordance with the provisions of the Operating Regulation, the Audit Committee carries out an independent assessment of the financial statement preparation process. The Executive Committee, through the Chief Financial Officer, is responsible for the preparation of the sustainability statement according to ESRS standards, thus contributing to the monitoring and reporting to the Board of Directors of identified deficiencies and internal controls implemented. The internal framework on reporting, including financial reporting, have a common objective to provide relevant information to investors and other stakeholders, which means that information considered material from the perspective of the sustainability statement is analyzed and evaluated in the process of preparing the financial statements. The Group applies the same level of rigor to the assessment and reporting of financial information and the assessment and reporting of sustainability issues. Both the annual financial statements and the sustainability statement are externally audited by an independent audit firm and both audit reports are reported to the Board of Directors

### ***Risk assessment and prioritization methodology***

Given that 2024 is the first year in which the CSRD Sustainability Statement has been drafted, a formalized risk analysis specific to the process of drafting the CSRD has not been carried out at Group level. At present, there is no specific procedure in place to identify and assess the risks related to the process of the Sustainability Statement.

However, recognizing the importance of a robust risk management process to ensure the integrity and quality of reporting, the Group is considering the development of a specific risk analysis methodology for the sustainability reporting process. This will include:

- Identify potential risks associated with the process of collecting, processing and reporting sustainability data (e.g. data integrity and completeness, accuracy of estimates, availability of value chain data).
- Establish a risk prioritization system based on the potential impact on the sustainability claim and regulatory requirements.

Starting in 2025, the Executive Committee will be responsible for defining and approving a formalized procedure for the risk analysis of the sustainability reporting process. Under the direction of the Executive Committee, the Sustainability Manager and the sustainability team will work together to implement this procedure and to identify the necessary resources (human, technical or financial) to carry out this process efficiently.

Subsequent to the implementation of the methodology, the findings resulting from the risk analysis will be systematically integrated into the relevant internal functions and processes. The Audit Committee and the Board of Directors will receive regular reports on:

- Assessment of identified risks and mitigation measures;
- Status of internal controls in place to manage risks in the reporting process;
- Recommendations for continuous improvement of the sustainability reporting process.

This approach will ensure a robust internal governance framework, contributing to increased transparency and reliability of the sustainability reporting process. Pending the establishment of the formalized risk analysis and management system described above, the verification process of the data collected for this year's reporting was carried out in two steps. Initially, the Sustainability Manager conducted an internal review of the information collected from Group companies to identify any errors, inconsistencies or gaps. Subsequently, an external consultant provided an additional level of verification,

ensuring that the data complied with regulatory requirements and industry best practice. This transitional approach was adopted to manage reporting risks, prevent potential errors and ensure the reliability and transparency of the information provided.

#### **[SBM-1] - Strategy, business model and value chain**

MedLife is active in the Romanian private healthcare market, owning the largest number of medical facilities in the country. In addition to its local presence, the company has also expanded internationally, with three medical facilities in Budapest, Hungary. The Group provides medical services both to individuals - including pay-per-service patients, individual subscription patients and patients receiving services through NHIH - and to legal entities - including mandatory occupational health services as well as prevention-oriented health plans provided by companies to their employees.

#### ***The significant groups of products and services offered by the Group:***

- **Medical consultations** - consultations with general practitioners and specialists, provided through the extensive network of clinics and hyperclinics.
- **Imaging services** - comprehensive and highest quality imaging services, from radiology, ultrasound and endoscopy to MRI, CT and mammography, investigations provided in hyperclinics and hospitals.
- **Laboratory investigations** - highly accurate tests, certified by international quality standards, offered to help clinicians, facilitate diagnosis and the choice of optimal treatment for patients.
- **Medical treatments and procedures** - including complex surgery in the Group's hospital facilities.
- **Comercialization of prescription and non-prescription pharmaceutical products**, OTCs, laboratory-prepared products and other related medical products through its own pharmacies, as well as **distribution of pharmaceuticals** through Pharmachem.
- **Telemedicine consultations** - delivered through digital platforms, extending access to healthcare.
- **Wellness services** - through the Sweat gym chain.
- **Stem Cell Bank** - provides advanced technologies for stem cell processing and storage.
- **Sanopass** - Integrative platform for health and fitness services.
- **Medical optics services and products** - ophthalmologic consultations, surgery, optometric consultations, medical optics and eyeglasses.

There were no changes in the categories of products or services offered during 2024.

The Group does not carry out activities in the sectors referred to by the ESRS in disclosure requirement 40 d). Specifically, MedLife does not generate revenues from the fossil fuel sector, including exploration, mining, extraction, production, processing, storage, refining or distribution of fossil fuels (coal, oil and natural gas), nor from taxonomy-aligned economic activities related to fossil gases, as applicable. Furthermore, the Group is not active in the manufacture of chemicals falling under Division 20.2 of Annex I to Regulation (EC) No 1893/2006 and is not involved in controversial weapons, such as anti-personnel mines, cluster munitions, chemical or biological weapons, nor in the cultivation or production of tobacco.

All revenues generated by the Group derive exclusively from activities aligned solely with its core business segment, which is medical, pharmaceutical and related services, not including any of the aforementioned segments, as presented in the consolidated financial statements for the year ended December 31, 2024.

*Table on significant groups of customers served*

Customer Category	Description
Companies's employees	Beneficiaries of HPP packages and corporate services.
Individual patients	Access consultations, investigations and treatments through direct payment, subscriptions or NHIH.
Families	Clients of stem cell banking services and maternity hospitals.
Customers interested in prevention and wellness	Access nutrition, fitness and wellness services.
Customers of the medical optics market	Buy glasses and access ophthalmologic check-ups.

*Table of significant changes in the reporting period of markets and customers served:*

Aspect	Description
Increasing the number of corporate customers	Diversify employee benefit packages.
Expanding access for individual patients	Launching new hyper-clinics and clinics in smaller cities

*Table on the number of employees by geographical region:*

Region	Number of employees at 31.12.2024
Romania	7,335
Hungary	58

### Development Strategy

The Group focuses its development strategy on strengthening its leading position in the Romanian private healthcare market and expanding its presence nationally and internationally. The strategy is structured along the following key directions:

- **Expanding geographical coverage and diversifying services.** MedLife aims to expand its network of facilities and services, ensuring profitable national coverage. The Group's strategy aims to: strengthen its presence in large cities (with more than 150,000 inhabitants) and expand into medium and small towns through its two brands, MedLife and St. Mary's; develop its core business lines - clinics, laboratories, hospitals, dentistry centers and corporate subscriptions; create new centers of excellence increase and diversify the range of services offered nationwide to cater to an increased number of patients, increasing revenues and profitability.
- **Organic growth and operational optimization.** The Group aims to constantly develop existing facilities by optimizing the mix of services tailored to the local market; digitizing processes and implementing advanced IT solutions to improve patient experience and operational efficiency; investing in research, oncology, radiotherapy and other specialties that can respond to market demand.
- **Selective acquisitions and integration of other market players.** MedLife pursues an active acquisition strategy to expand its service offering and geographic coverage. The main objectives are: to acquire regional or complementary companies that bring synergies within the Group; to



fully integrate the acquired units into the MedLife system, ensuring uniformity of services and cost optimization; to encourage the founders of the acquired companies to remain involved in order to retain know-how and market knowledge.

- **Continuous improvement in patient safety and quality of service.** The Group remains committed to providing safe and high-quality medical treatment. It balances medical risks and opportunities with commercial objectives by: creating preventative and prophylactic medical programs; optimizing services to meet individual patient needs, promoting patient satisfaction and loyalty.
- **Digitalization and innovation.** MedLife strengthens its leadership position by implementing digital transformation and innovation, pursuing: digitization of medical records, administrative and operational processes; creation of digital platforms and advanced technologies to improve access to healthcare services and information.
- **Horizontal integration and strengthening profit margins.** The Group continues to pursue horizontal integration by: centralizing support functions (human resources, finance, marketing) to reduce costs and increase efficiency; leveraging the acquired medical facilities' foundations through their organic development and integration into the MedLife model.
- **Financial responsibility and sustainability:** The Group is in a sound financial position and benefits from constant access to finance. The Group's strategy focuses on strengthening profit margins, sustaining a return and leverage policy calibrated to investors' expectations and maximizing economic efficiency through sustainable investments.

The table below highlights the correlation between the Group's strategic directions for 2024 and the sustainability matters identified as material from the DMA process conducted during the year, including an explanation of each correlation.

*Table linking strategic directions to material sustainability matters*

Strategic direction	Significant sustainability issues	Explanation
<b>Extend geographical coverage and diversify services</b>	ESRS S3 - Communities' economic, social and cultural rights	Extending geographical coverage involves adapting to the needs of local communities, including ensuring social inclusion and respect for economic and social rights.
	ESRS S4 - Social inclusion of consumers and/or end-users	
<b>Organic growth and operational optimization</b>	ESRS E1 - Energy efficiency	Operational optimization means increasing energy efficiency, careful management of resources and working ethically with suppliers, including meeting payment deadlines.
	ESRS E3 - Water consumption; ESRS E5 - Resources inflows, including resource use	
	ESRS G1 - Management of relationships with suppliers including payment practices	
<b>Selective procurement and integration of other operators</b>	ESRS G1 - Corruption and bribery	Integrating other operators requires ensuring compliance with ethical standards, avoiding corruption and respecting working conditions for employees and value chain partners.
	ESRS S1 - Working conditions	
	ESRS S1 - Other employment rights	

Strategic direction	Significant sustainability issues	Explanation
	ESRS 2 - Working conditions ESRS 2 - Other employment rights	
<b>Improving patient safety and quality of services</b>	ESRS S4 - Personal safety of consumers and/or end-users	Better safety and quality of services means protecting patients, providing clear information and supporting their social inclusion.
	ESRS S4 - Information-related impacts for consumers and/or end-users	
	ESRS S4 Social inclusion of consumers and/or end-users	
<b>Digitization and innovation</b>	ESRS 1 - Other employment rights	While digitization increases efficiency, it also means protecting employee and patient data and developing innovative solutions to better inform patients and customers.
	ESRS S4 - Personal safety of consumers and/or end-users	
	ESRS S4 - Information-related impacts for consumers and/or end-users	
<b>Horizontal integration and strengthening profit margins</b>	ESRS G1 - Management of relationships with suppliers including payment practices	Horizontal integration involves improving relationships with suppliers, adopting ethical practices and sustainable use of resources to strengthen profit margins.
	ESRS G1 - Corruption and bribery	
	ESRS E1- Energy efficiency	
	ESRS E3- Water Resources	
<b>Financial accountability and sustainability</b>	ESRS E1 - Climate change adaptation and mitigation	Financial responsibility requires adopting sustainable practices, reducing environmental impacts and promoting equality and inclusion in the workforce.
	ESRS E1 - Energy efficiency	
	ESRS E3 - Water resources	
	ESRS E5 - Waste	
	ESRS S1 - Equal treatment and opportunities for all	

The Group's development strategy does not cover all sustainability impacts, risks and opportunities. It will be revised in 2025 by including an action plan that complements and revises the actions already implemented in 2024 for some of the sustainability aspects, as well as setting associated targets. The revised strategy will be approved by the Board in FY 2025.

### Group business model

The Group's business model is based on a diversified portfolio of medical activities and related services, tailored to meet the needs of a wide range of patient and customer segments. Key activities include: the provision of healthcare services through hospitals and clinics, laboratory services, diagnostic services, telemedicine, pharmacies, dentistry and wellness services.

Key resources to carry out the activities include the infrastructure of hospitals and clinics, medical equipment, state-of-the-art technologies (including telemedicine platforms), specialized medical staff, but also strategic partnerships with equipment and service providers, which are essential for the delivery of quality services.

The distribution channels for the Group's services include the physical locations of MedLife facilities (hospitals, clinics, laboratories, dentistry centers, pharmacies), but also online channels such as telemedicine platforms, which extend the accessibility of services to a wider audience and contribute to reducing the Group's carbon footprint.

In accordance with IFRS 8 financial reporting requirements, the Group organizes its revenues and costs into various business segments. Revenue by segment under IFRS 8 is disclosed in *Note 19 Revenue from Contracts with Customers* to the financial statements. As for costs, these include operating expenses for the maintenance of medical facilities, costs for the purchase of medical equipment and supplies, staff salaries, administrative expenses and costs related to compliance with environmental and safety regulations. The Group places considerable emphasis on efficient cost management, particularly in energy consumption and medical waste management, to ensure financial sustainability and minimize environmental impact.

The healthcare sector faces a range of impacts, risks and opportunities that have the potential to influence both the current business and the long-term development of the Group. The medical sector has a considerable impact on the environment, natural resources and public health, with both positive and negative effects. With regard to the environment, the activities generally carried out by hospitals and clinics involve significant consumption of resources such as energy, water and materials, as well as the generation of a significant amount of waste, including medical waste. The proper management of this waste is essential to prevent adverse effects on the environment. Activities in healthcare facilities also contribute to greenhouse gas emissions and the widespread of single-use products puts additional pressure on the ecosystem.

From a social point of view, the healthcare sector plays a crucial role in meeting the diverse health needs of the population, helping to improve the quality of life and to prevent and treat chronic diseases. However, there are significant risks related to inequalities in access to healthcare services, particularly in rural and deprived areas where resources are more limited. At the same time, the constant pressure on healthcare workers, due to intense work demands and the risks associated with often demanding working environments, can affect both their health and the quality of services provided to patients.

Regarding the risks faced by the sector, rising costs are a major challenge to its financial sustainability as medical equipment, drugs and staff salaries are increasing. In this context, stringent safety compliance requirements and strict regulations can lead to additional expenses for organizations like Group. Digitization of healthcare services also adds another layer of complexity and is associated with significant cybersecurity risks. Protecting patients' personal data and preventing security breaches are becoming key priorities, as any vulnerabilities in this area can severely damage patient trust and the reputation of the institutions involved. In addition, changes in healthcare and environmental legislation may require significant adjustments to operational procedures and cost structures. These changes require additional resources to implement new regulations and adapt existing infrastructure.

But the opportunities in the healthcare sector are also significant and can lead to substantial improvements in both the accessibility and efficiency of healthcare services. First, technological innovations, such as telemedicine and artificial intelligence, represent a major opportunity to increase access to medical consultations and improve the management of conditions, particularly in remote regions. These solutions not only make treatment more efficient, but also reduce costs and environmental impact through the use of digital platforms that facilitate access to personalized services

In parallel, the expansion of preventive and wellness services is becoming an important opportunity to diversify the portfolio, given the increasing demand for such services. Health education initiatives, regular screenings and health management programs not only improve patients' quality of life, but also contribute to long-term cost savings by preventing the onset of chronic conditions.

Research and development in personalized medicine, including stem cell therapies or genomic treatments, is another significant opportunity. Collaboration with universities and research institutes to develop innovative solutions can address complex conditions and contribute to scientific progress, thereby improving available treatments and having a positive impact on public health. In addition, the growing awareness of environmental issues and corporate social responsibility provide opportunities to implement sustainable health practices. Recycling programs, waste and the adoption of green strategies can not only improve the reputation of companies, but also attract patients and investors who emphasize sustainability.

The Group, with a significant scale, with 83 companies as of December 31, 2024, has demonstrated steady growth and diversification of the services offered, generating important benefits for patients and customers, as well as for investors, employees and suppliers. The analysis of the activities carried out by the Group's companies in 2024 reflects the positive impact on the Romanian healthcare sector, indicating a sustainable business model with favorable results for all stakeholders.

#### ***Benefits for patients and customers***

Group continues to provide high quality medical services through its extensive network of hospitals, clinics, laboratories, dentistry centers, pharmacies and complementary services, covering a wide geographical area in Romania and expanding internationally with clinics in Budapest, Hungary. In 2024, MedLife has expanded and diversified its portfolio of services offered contributing significantly to improving the accessibility and quality of healthcare by integrating innovative services that add considerable value to the experience of the Group's patients and customers. The benefits are reflected in increased levels of patient satisfaction and reduced waiting times for diagnosis and treatment, thereby improving their health and well-being.

#### ***Benefits for investors***

On the investor side, Group has demonstrated strong financial performance and efficient resource management. In 2024, the Group continued to expand its network, opening new facilities and diversifying its service portfolio. At the end of 2024, MedLife owned a network of 35 hyperclinics, 74 clinics, 17 hospitals, 3 maternity hospitals and a Stem cell bank, 42 laboratories, 20 pharmacies and 18 dentistry centers, making it the largest private healthcare provider in Romania. These achievements have helped strengthen the Group's financial position, providing investors with long-term stability and opportunities for continued growth. In addition, strategic acquisition decisions and organizational developments have improved operational and financial efficiencies and provided a solid platform for continued business development. The positive results for investors are reflected in the Group's increased market value and high level of confidence in its future.

#### ***Employee benefits***

Group employees benefit from a dynamic work environment and continuous professional development opportunities. The Group offers a comprehensive benefits package that includes competitive salaries, training and specialization opportunities and a constant focus on employee well-being. Employees also benefit from employment in a market-leading healthcare services company with extensive exposure to healthcare innovation. Network growth and service diversification provide opportunities for career advancement, contributing to staff retention and satisfaction.

#### ***Benefits for suppliers***

MedLife maintains strong and long-term business relationships with its suppliers of medical equipment, pharmaceuticals, advanced technologies and more. Close collaboration with suppliers is essential to ensure a continuous flow of quality products and services needed to carry out day-to-day activities. The Group also collaborates with technology providers to integrate digital and innovative solutions into the

delivery of healthcare services, which helps optimize internal processes and improve operational efficiency. In this way, suppliers benefit from stable business relationships and opportunities for long-term collaboration amid constant demand for quality products and technologies.

### **Community benefits**

The Group plays a key role in promoting health and well-being at the community level, and is actively involved in initiatives that support public health and improve quality of life. MedLife collaborates with community organizations, including NGOs and public health institutions, to support projects aimed at disease prevention, health education and access to healthcare services for vulnerable groups. MedLife supports community health by sponsoring health education events, outreach campaigns for various age and professional groups. Through these actions, the Group helps to promote healthy lifestyles and reduce cases of preventable diseases. In terms of social impact, MedLife also contributes to the economic development of the regions in which it operates, generating jobs and stimulating the local economy by investing in infrastructure and medical education. Thus, the Group strengthens its position as a responsible actor in the community, contributing to the creation of a healthy and sustainable environment for the whole society.

Overall, the Group has made significant progress in delivering current and expected benefits to all stakeholders, strengthening its market position, creating a positive impact on public health and being a trusted partner to patients, customers, investors, employees, suppliers and the community, its key stakeholder groups. Through continued expansion and the integration of innovative services, the Group is well positioned to continue to meet the needs of its patients and customers and create long-term value.

### **Group value chain**

The Group's value chain is a complex and integrated network comprising a wide range of activities and business relationships, all essential to the provision of comprehensive healthcare services. The value chain includes both upstream and downstream components. In the upstream segment, the Group relies on suppliers of the highest quality pharmaceuticals, suppliers of medical equipment, and other supplies and materials specific to the delivery of healthcare services. These relationships are typically long-term and involve strict quality control and adherence to regulatory standards to ensure the safety and effectiveness of MedLife services. Partnerships with technology providers are also crucial to the integration of advanced technology into healthcare delivery. These collaborations facilitate the delivery of telemedicine services, diagnostic equipment and health IT systems, improving efficiency and ensuring high quality standards of care. MedLife also works closely with like-minded companies, such as private clinics to provide services in areas where it does not have full coverage, as well as with state-owned hospitals that perform specific blood tests for the Group that cannot be done in-house or other investigations for which there is no equipment or expertise.

The downstream segment of the value chain involves activities and business relationships that enable the delivery of healthcare services to end-users. Patients are the primary recipients of MedLife services and are at the center of the downstream value chain. Their satisfaction and health outcomes are key metrics of the Group's success. Collaborations with insurance companies enable patients to access services through various private and state health insurance plans, increasing their access to healthcare services. An important player in MedLife's value chain is the National Health Insurance House, which reimburses part of the costs from the national budget, making healthcare services more accessible to patients. In accordance with the agreement with the National Health Insurance House, the Group provides primary health care services to insured patients of the National Health Insurance House. MedLife also collaborates with companies (through its corporate business line) to offer their employees' health



programs, including occupational healthcare services, medical check-ups, preventive or wellness subscriptions, thus encouraging a healthy workforce

Community-based organizations, including NGOs and public health organizations, form another significant part of the downstream value chain, supporting health initiatives and contributing to the health and well-being of a significant part of Romanian communities

Customers of Group pharmacies who purchase medicines and health products from PharmaLife pharmacies ensure the continuity of medical care provided by the Group's medical staff

Also included in this stage of the value chain are waste management service providers who ensure that medical and hazardous waste is disposed of in an environmentally responsible manner, thereby minimizing the environmental impact of MedLife's operations. Medical specialists and healthcare professionals who are not directly employed but provide services for MedLife, such as some physicians, are assimilated to their own workforce, even if they do not have an individual employment contract but a service contract

Governmental and regulatory agencies and bodies ensure the legal and ethical functioning of MedLife's operations, while funders, including capital market lenders, provide the necessary financing for the Group's activities.

Thus, the main categories of value chain actors for the Group include:

- Patients: the primary recipients of MedLife services, whose satisfaction and health outcomes are crucial.
- Clients (companies): they offer health programs to their employees, including health check-ups, occupational health services and health subscriptions.
- Pharmaceutical customers: individuals who purchase medicines and health products from PharmaLife pharmacies, ensuring continuity of care, as well as companies that purchase these medicines and health products through the national distributor Pharmachem.
- Upstream suppliers: suppliers of medical equipment, pharmaceuticals and medical supplies, technology and R&D partners.
- National Health Insurance House and other insurance companies: partners offering various health insurance plans.
- Private clinic partners: partners who provide services for MedLife in areas where the Group does not yet have all its services available.
- State-owned hospitals: institutions that carry out or for which MedLife carries out specific tests and investigations necessary for MedLife activities
- Community and public health organizations, including NGOs: these partners support public health initiatives and contribute to the health and well-being of communities
- Waste management providers: essential for responsible disposal of medical and hazardous waste.
- Government Agencies and Regulatory Bodies: entities that regulate and ensure the legal functioning of health facilities.
- Funders: credit institutions and capital market participants.

Overall, the Group's value chain is a comprehensive and interconnected system that ensures the delivery of high-quality healthcare services.

The material sustainability topics identified at Group level are detailed in the ESRS 2 IRO-1 section of the *Sustainability Statement*.

## [SBM-2] - Stakeholder interests and views

The Group operates in a complex environment, with a wide range of stakeholders interacting with the companies that are part of the group directly or indirectly. These stakeholders include individuals or companies whose activities may be influenced by the group's decisions and operations, as well as actors who, through their actions, may influence MedLife's ability to implement its strategies or achieve its objectives. Depending on the degree of involvement and impact, they are classified into two categories:

- Class I: Stakeholders directly or indirectly affected by the company's activities. This category brings together groups whose lives or activities are influenced by MedLife's operations, either through the direct impact of healthcare services or through business relationships that cross the value chain. They include: Employees and workers who are the backbone of the organization's operations; Customers and patients who benefit from the health care services provided; Suppliers and value chain workers who provide the resources and materials needed to operate; The local community that benefits from MedLife's health and wellness initiatives, as well as those in the vicinity of its operations;
- Class II: Users of sustainability information. This category includes primary users of financial reporting as well as users of sustainability reporting. These include: Shareholders and investors interested in the financial performance and sustainability of the organization; National and international professional / industry associations, including patients; Civil society and non-governmental organizations assessing the social impact of MedLife's activities; Central and local authorities regulating the Group's activities; Financial institutions interested in the Group's activities and investments; Capital market participants; Media communicating the company's results and initiatives to the general public.

In 2024, the Group implemented a consultation process with affected stakeholders to understand and integrate their interests and views on the Group's current and potential, positive and negative impacts on them, including its employees, patients, customers and suppliers. This process has been conducted in accordance with the *Sustainability Materiality Assessment Methodology* developed by the Group's Sustainability team in conjunction with external consultants. Sustainability team members were selected to cover Group companies, thus ensuring a comprehensive IRO assessment.

The consultation process included the submission of specific questionnaires to each stakeholder category with the aim of identifying the Group's current and potential impacts on them, assessing stakeholder perceptions of the extent of these impacts and gathering information on other impacts not initially identified. Stakeholder ratings of the magnitude of each impact were integrated into the internal assessment conducted by the Group's sustainability team, resulting in a score reflecting both internal and external perspectives. Through this process of consultation and validation, the Group has been able to effectively identify and assess sustainability impacts, which inform the preparation of the Sustainability Statement and the update of the Group's strategic sustainability objectives.

In the process of identifying risks and opportunities, the Group has analyzed how its activities are affected by its dependence on natural, human and social resources, taking into account external influences such as stringent environmental and social regulations as well as the volatility of raw material and energy prices. Sustainability impacts that may generate financial risks were also an important source of analysis. In order to ensure a sound basis for decision-making, the Group used a number of assumptions and applied the UNEP FI Radar methodology at sector level, validating the results for a representative sample of suppliers and customers through a consultation process. This approach was necessary as the consultation process did not allow for the inclusion of all suppliers and customers of the Group. Increasing

expectations from investors, authorities, customers and patients to adopt sustainable practices and services influence the Group's market strategies and investments.

The results of these consultations were centralized and analyzed by the Coordinating Sustainability Team, which then presented them to the members of the Executive Committee. The governing bodies of the Group are informed annually about the results of the stakeholder consultation process. These briefings are carried out by the Sustainability Manager, part of the Sustainability Coordinating Team and include:

- Presentation of the results of questionnaires and consultations.
- Analysis of identified impacts and sustainability risks/opportunities.
- Recommendations for updating the sustainability strategy and targets.

In addition to this process, the Group's governance structures are regularly informed in detail about the number and nature of complaints received through the formal complaint's channels, which are accessible to patients, customers and other relevant stakeholders. This information is essential to monitor direct feedback and to quickly identify possible areas for improvement. Furthermore, these structures receive regular information on alerts of irregularities through the whistleblowing channel, which is managed by a specialized external entity. This channel provides a transparent and independent channel through which any irregularities or concerns can be raised in a confidential setting, thereby supporting accountable and integral governance. These additional measures and information flows are designed to support and complement the stakeholder consultation process, in particular in the due diligence process. They thus enable the views and interests of the various stakeholders to be taken into account, as this process is essential to reflect transparency and accountability at all stages of the Group's decision-making.

In parallel, the Group conducts annual systematic processes to measure patient satisfaction, which are essential for the evaluation and continuous improvement of the quality of the healthcare services offered. These processes allow the collection of valuable data on patients' experiences and their level of satisfaction, and are a key tool in ensuring a proactive and responsible approach to patients' needs and expectations. In this way, Group ensures that all stakeholders benefit from open communication and continuous dialog, which supports the implementation of best practices and long-term sustainable strategies.

The Group considers its workforce a key pillar and recognizes the importance of protecting employee and human rights as a strategic priority. Their views, interests and rights are integrated into the company's strategy and business model, directly influencing operational and development decisions. By promoting constant dialog and actively involving employees in key decision-making processes, MedLife ensures that their needs are better understood and respected. In addition, the company continuously invests in providing safe and fair working conditions, training programs and employee skills development, thus contributing to the productivity and long-term sustainability of its business model.

Another stakeholder group for the Group is the workers in its value chain, assessing how its strategies and activities may influence their interests, views and rights. Respect for human rights is a key aspect of the company's sustainability policy, contributing to the development of a responsible and sustainable business model. As a result of the DMA, the Group has identified potential significant impacts on workers in the value chain, which are managed through the application of the Group Sustainability Policy. This establishes a clear framework for integrating labor rights issues and safe and fair working conditions into the company's value chain. Although the Group does not currently have a formal mechanism for consulting with workers in its value chain or a structured system for monitoring the impact on them, it has implemented a Protection of Public Interest Whistleblowers Policy. This policy provides a confidential channel for reporting possible violations of fundamental rights, thereby helping to prevent and remedy negative impacts on the value chain workforce.

Through these measures, the Group ensures the integration of value chain worker considerations into its strategy, while maintaining an ongoing commitment to respect for human rights and the development of fair and sustainable employment relationships.

Another important stakeholder group for the Group is the communities in which it operates. The company's strategy is geared towards their sustainable development, and MedLife's Sustainability Policy, published in 2024, sets out a clear framework for managing the impact on communities. This includes measures to support vulnerable groups, investing in medical infrastructure and health education, and maintaining an open and transparent dialog with stakeholders. Although there is no formal mechanism for consultation with affected communities, MedLife constantly interacts with them through various social initiatives and referral channels, such as the Protection of Public Interest Whistleblowers Policy, which provides a confidential framework for reporting and remedying possible violations of fundamental rights. Respect for human rights is an essential aspect integrated into all relevant policies, and the safety and prevention measures implemented through the Occupational Health and Safety Policy indirectly contribute to the protection of communities in the vicinity of Group sites. In this context, MedLife adapts its strategies and business model both to minimize negative impacts on communities and to capitalize on opportunities for sustainable development.

The Group places particular emphasis on the interests and rights of consumers and end-users, ensuring that they benefit from a healthy, fair and safe environment. The Group's Sustainability Policy includes measures to assess and manage significant impacts on consumers, with a focus on respecting patients' rights. MedLife guarantees that patients are properly informed through the Informed Consent Procedure, ensuring that they are fully aware of the treatments and risks involved. The Group implements policies for the judicious use of antibiotics and perioperative antibiotic prophylaxis to prevent the risks of bacterial resistance. Through its Code of Ethics and Code of Conduct, MedLife is committed to maintaining high standards of quality and safety, and its Code of Social Responsibility ensures compliance with consumer protection regulations. MedLife also protects whistleblowers through policies that ensure confidentiality and protection against retaliation. The feedback and complaints system allows patients to voice their concerns, and the Call-Center Department ensures that their concerns are dealt with efficiently, contributing to a consumer-driven decision-making process.

Through this structured process, the Group ensures the integration of stakeholder interests in strategic and operational decision-making, thereby enhancing organizational transparency and accountability. The information obtained through the consultation process conducted in 2024 for the DMA process will be used to adjust and update the Group's strategic sustainability objectives that will take place in 2025, thus ensuring constant alignment with stakeholder expectations and sustainability requirements. Therefore, no measures have yet been identified that relate to the update of the Group's strategy and business model. These will be communicated in the next Sustainability Statement for FY 2025.

### **[SBM-3] - Material impacts, risks and opportunities and their interaction with strategy and business model**

The Group recognizes the importance of assessing the significance of the impacts that its business activities, services and relationships may have on people and the environment, as well as the sustainability risks and opportunities that may influence its business model, its own operations and the upstream and downstream value chain. Through the DM review process, the Group has identified and analyzed the critical issues that may affect its long-term sustainability, economic, social and environmental performance, and its relationships with its stakeholders.

This analysis assessed the areas of concentration of material impacts, both positive and negative, as well as the risks and opportunities associated with each segment across the value chain. These included the Group's internal activities, interactions with suppliers, distribution to customers and impacts on

communities and the environment. In addition, this strategic approach enables the company to anticipate and respond appropriately to challenges and capitalize on opportunities that contribute to sustainable value creation.

The table below details the significant IROs identified, as well as their distribution in the business model, own operations and value chain, both upstream and downstream.

Table on material sustainability IROs and topics – Environment (refer to Annex 1 Abbreviations and symbols)

ESRS Standard	Sub-topic	Sub-sub-topic	#	Short description	IRO A / P	Level	Value chain	Time horizon
E1 Climate change	Climate change adaptation		M1	The potential effect of climate risks on own operations	I n P	Medium	Op	5 years
			RO2	Climate change may affect the Group's infrastructure and activities, disrupting service continuity and increasing operational costs	R	Critical	Op/Us/Ds	1-5 years
			RO4	The increased frequency and severity of extreme weather events may lead to an increased demand for medical services	O	Sever	Op/Us/Ds	5 years
	Climate change mitigation		M2	GHG emissions from own activities	I n A	Seminificativ	Op	
			M3	GHG emissions from value chain activities	I n A	Seminificativ	Us/Ds	
			RO1	Additional regulations on greenhouse gas (GHG) emissions and climate transition by 2050	R	Sever	Op	5 years
	Energy efficiency		M4	Non-renewable energy consumption in own activities	I n A	Seminificativ	Op	
			M5	Non-renewable energy consumption in upstream and downstream value chain activities	I n A	Medium	Us/Ds	
E2 Pollution	Micropastics		M10	Generation of microplastics through wear and tear of plastic medical devices, equipment and supplies.	I n A	Medium	Op	
			RO9	Increasing public and regulatory concerns about microplastics.	R	Critical	Op	5 years
	Water pollution		M8	Accidental water pollution by chemicals and pathogens	I n P	Medium	Op	1 year
	Substances of concern		M9	Use and storage of substances of concern	I n P	Medium	Op	1 year
E3 Water and marine resources	Water resources	Water consumption	M12	Water consumption	I n A	Seminificativ	Op	
E5 Circular Economy	Waste		M17	Waste management in own activities	I n P	Medium	Op	1 year
			M18	Waste management in upstream and downstream value chain activities	I n P	Medium	Us/Ds	1 year
	Resources inflows, including resource use		M15	Use of raw materials and materials in own activities	I n A	Seminificativ	Op	
			M16	Use of raw materials and materials in upstream and downstream value chain activities	I n A	Seminificativ	Us	

Table on material sustainability IROs and topics – Governance (refer to Annex 1 Abbreviations and symbols)

ESRS Standard	Sub-topic	Sub-sub-topic	#	Short description	IRO A / P	Level	Value chain	Time horizon
G1 Professional conduct	Political influence and lobbying		G7	Promoting a user-friendly legislative framework	I p P	Medium	Op	1-5 years
		Corruption and bribery: Incidents	G13	Absence of confirmed cases of corruption and bribery in own operations	I p A	Seminificativ	Op	
		Prevention and detection including training	G12	Lack of measures to prevent and detect corruption and bribery	I n P	Medium	Op	1 year
	Corporate culture		G1	Creating a positive and attractive working environment, governed by fair and transparent policies and procedures	I p A	Seminificativ	Op	
		Prices and billing transparency	G2	Promote transparency in the pricing and billing of healthcare services.	I p A	Very big	Op	
		Fraud and unnecessary procedures	G3	Absence of fraud and elimination of unnecessary procedures in the provision of healthcare services.	I p A	Seminificativ	Op	
		Anti-competitive behavior	G4	Promoting competitive behavior	I p A	Seminificativ	Op	
			G8	Promotion and development of local providers	I p A	Seminificativ	Op/Us/Ds	
	Management of relationships with suppliers including payment practices		G9	Quality control in the supply chain for the distribution and marketing of pharmaceuticals	I p A	Seminificativ	Op	
			RO34	Inadequate management of environmental and social impacts by suppliers - risk to the Group's reputation	R	Critical	Op/Us/Ds	1-5 years
	Protection of whistle-blowers		G5	Protecting the rights of whistleblowers	I p A	Medium	Op/Us/Ds	



Table on material sustainability IROs and topics – Social (refer to Annex 1 Abbreviations and symbols)

ESRS Standard	Sub-topic	Sub-sub-topic	#	Short description	IRO A / P	Level	Value chain	Time horizon
S1 Own labor force	Working conditions	Secure employment	S1	Wage benefits provide economic and social protection for employees.	I p	A	Very big	Op
		Working time	S2	Potential work-intensive programs in own activities	I n	P	Seminificativ	Op
		Adequate wages	S3	Wages paid at a minimum level	I n	A	Very big	Op
		Social Dialogue / Freedom of Association	S4	Absence of employee representatives	I n	P	Seminificativ	Op
		Collective bargaining, including % of workers covered by collective agreements	S5	Absence of collective bargaining at Group level or at the level of large companies within the Group	I n	P	Seminificativ	Op
		Health & Safety	S6	Potential health and safety incidents in your own activities	I n	P	Seminificativ	Op
		Health & Safety	S7	Own activities can cause occupational diseases.	I n	P	Seminificativ	Op
	Equal treatment and opportunities for all	Gender equality and equal pay for work of equal value	S8	Gender pay inequality	I n	A	Very big	Op
		Training and skills development	S9	Training programs that support professional development.	I p	A	Seminificativ	Op
		Employment and inclusion of people with disabilities	S10	Employing people with disabilities promotes inclusion.	I p	A	Seminificativ	Op
		Measures against violence and harassment in the workplace	S11	Absence of a specific policy and training against workplace violence and harassment	I n	P	Seminificativ	Op
S2 Value chain workers	Other work-related rights	Privacy	S12	Protection of employees' and customers' personal data	I n	P	Seminificativ	Op
		Privacy	RO21	Fines in case of security breaches regarding the management of employees' personal data.	R		Critical	Op
	Working conditions	Secure employment	S13	Labor practices that may generate social inequalities in upstream and downstream activities	I n	P	Medium	Us/Ds
		Adequate wages	S14	Minimum wage practices in upstream and downstream activities	I n	A	Very big	Us/Ds
		Health & Safety	S15	Potential health and safety incidents in upstream and downstream activities	I n	P	Very big	Us/Ds
	Other work-related rights	Child labour	S15 Bis1	Insufficient measures to prevent and communicate the Code of Conduct to suppliers on the prohibition of child labor	I n	P	Seminificativ	Us/Ds
		Forced labor	S15 Bis2	Insufficient measures to prevent and communicate the Code of Conduct to suppliers on the prohibition of forced labor	I n	P	Seminificativ	Us/Ds
	Communities' economic, social and cultural rights	Security-related impacts	S16	Potential incidents that may affect communities in close proximity to hospitals	I n	P	Medium	Op
		Security-related impacts	S17	Disrupting the life of communities in the vicinity of medical facilities	I n	P	Medium	Op
		Market presence (entity specific)	S18	Contributing to the development of local communities	I p	A	Seminificativ	Op
		Direct economic value generated and distributed (entity specific)	S19	Contributing to economic growth and improving people's living standards	I p	A	Seminificativ	Op/Us/Ds
		Access to (quality) information	S21	Access to quality information about the healthcare services offered by the Group	I p	A	Medium	Op
S3 Affected communities	Information-related impacts for consumers and/or end-users	Freedom of expression	S21a	Freedom of expression through appropriate channels for complaints	I p	A	Medium	Op
		Privacy	S20	Protection of patients' personal data	I n	P	Very big	Op
		Privacy	RO24	Fines for security breaches in the management of patients' and clients' personal data	R		Critical	Op
		Non-discrimination	S29	Access to healthcare for patients in rural and remote areas and other vulnerable groups	I p	A	Medium	Op
	Social inclusion of consumers and/or end-users	Access to products and services	S28	Increasing access to health services for the community as a result of organic development	I p	A	Seminificativ	Op
		Access to products and services	S27	Social inclusion of low-income patients	I p	A	Medium	Op
		Access to products and services	RO29	Increasing the number of low-income patients by offering affordable services	O		Sever	Op
		Access to products and services	RO31	Increasing access to healthcare through investment in health infrastructure and national expansion	O		Critical	Op
	Personal safety of consumers and/or end-users	Child protection	S26	Improving the experience of children's patients through regular training for nurses	I p	A	Medium	Op
		Health and safety	S22	Potential medical errors or negligence.	I n	P	Very big	Op
		Health and safety	S23	Potential contribution to the development of antimicrobial resistance and nosocomial infections	I n	P	Medium	Op
		Security of a person	S24	Potential health and safety incidents that may affect patients	I n	P	Seminificativ	Op
		Child protection	S25	Potential violations of children's rights	I n	P	Seminificativ	Op
S4 Consumers and end-users	Personal safety of consumers and/or end-users	Health and safety	RO26	Antimicrobial resistance and the impact on hospital reputation.	R		Sever	Op

The financial impacts of the Group's material risks and opportunities related to ESRS E1 Climate Change, ESRS E2 Pollution, ESRS E3 Water and Marine Resources, ESRS E5 Resource Use and Circular Economy are presented in the thematic sections under: E2.IRO-1 under E2, E3.IRO-1 under E3, E5.IRO-1 under E5.

The financial effects of the Group's material risks and opportunities in relation to ESRS S1 Own workforce, S4 Consumers and end-users and G1 Business conduct are presented in the thematic sections under: S1.SBM-3 in S1, S4.SBM-3 in S4. For the year 2024 the Group has not identified any current financial effects of material risks and opportunities in relation to, ESRS S2 Value chain workers, ESRS S3 Affected communities.

The 2024 risks and opportunities were included in the DMA process considering two categories: current and anticipated, ensuring a comprehensive approach in assessing their financial materiality. In terms of material risks and opportunities, the Group has not identified any current financial effects on financial position, financial performance and cash flows. There were also no significant risks identified that would result in material adjustments to the carrying amounts of assets and liabilities reported in the financial statements for the next reporting period. Instead, potential financial effects have been identified that could affect the Group's position, performance and cash flows in the short, medium and long term. Anticipated risks and opportunities have been identified and assessed in terms of their short-, medium- or long-term financial impact, providing an understanding of how they may affect the Group's financial position, performance and cash flows in the period subsequent to the reporting period for the financial year then ended.

The Group has conducted a detailed assessment of the material IROs that may affect its financial performance and ability to respond to external and internal challenges and opportunities. The risk analysis was performed based on two key variables: the likelihood of occurrence and the magnitude of the financial impact, and for each risk the impact was determined based on established thresholds. However, the Group has not conducted a formal and detailed analysis of the resilience of its strategy and business model to the significant risks and opportunities identified, as all material risks and opportunities are anticipated to have material impacts, most of which are medium to long term. Although the investment plans and development strategies set by the Group are not exclusively focused on managing these risks and opportunities, some of these may indirectly address some of the identified challenges and opportunities, contributing to the overall resilience of the business model. In the coming period, the Group intends to implement a detailed assessment of its strategic resilience, which will include a qualitative and, where relevant, a quantitative analysis of major risks and opportunities. This will enable a better understanding of the potential impact on the Group's financial position, financial performance and cash flows in the short, medium and long term. While there are no investment plans strictly related to these risks and opportunities, some of the initiatives already planned (such as investments in healthcare infrastructure, digitization of services and Group expansion) may indirectly contribute to reducing the Group's vulnerabilities to these risks, such as cybersecurity or environmental risks. These investments will also support the long-term development of the Group, having a positive impact on service affordability and operational efficiency. Group aims to finalize the resilience review of the strategy in the coming period, given its importance for improving risk management and ensuring an effective response to emerging opportunities. The review will also enable the adjustment of plans and more efficient allocation of resources to support sustainable and resilient growth in the long term.

With regard to significant IRO changes compared to the previous reporting period, it is important to note that this is the first double materiality analysis performed by the Group under the European Sustainability Reporting Standards (ESRS). As this is an inaugural process of assessing risks and opportunities based on the principles of double materiality, no changes can be reported compared to the previous reporting period. This analysis is at an early stage of implementation and the process will continue to evolve as

the Group strengthens its risk and opportunity management strategies in line with the ESRS framework. In the future, as assessments become more detailed and are integrated into strategic plans, changes and adjustments to significant impacts and risks may be identified compared to previous reporting periods

#### **Additional entity-specific disclosures**

In relation to ESRS disclosure requirements it is important to note that certain significant impacts and risks, which are subject to ESRS requirements, are integrated into the corresponding sub-topic under G1 - "Professional Conduct" and ESRS S3 sub-topic "Economic, Social and Cultural Rights of Communities". These are:

- Impact G2 - Promote transparency in the pricing and billing process of health care services which is part of the sub-topic "Pricing and Billing Transparency" (entity specific);
- Impact G3 - Absence of fraud and elimination of unnecessary procedures in the provision of healthcare services associated with the sub-topic "Fraud and unnecessary procedures" (entity specific);
- Impact G4 - Promoting competitive behavior part of the sub-sub-topic "Anti-competitive behavior" (entity specific).
- Impact S18 - Contribution to the development of local communities associated with the sub-topic "Market presence".
- Impact S19 - Contribution to economic growth and improved living standards of the population associated with the sub-sub-topic "Economic value generated and distributed".

These sub-sub-topics are integrated into the Corporate Culture sub-topic under G1 - Business Conduct. For reporting on these sub-sub-topics, the Group will use the metrics provided by the Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB) standards, as these are considered relevant for assessing and reporting on the impacts and risks associated with these entity-specific issues. Thus, the difference between the ESRS requirements and the additional entity-specific disclosures is that the sub-topics mentioned above are included in the ESRS reporting, while the GRI and SASB metrics will be used for further detail on these issues.

#### **[IRO-1] - Disclosure requirements in ESRS covered by the undertaking's sustainability statement**

The double materiality process has been conducted in accordance with the requirements set out in Chapter 3 of ESRS 1 (3. *Double materiality as a basis for sustainability reporting*). The Group has conducted the assessment in accordance with the principle of double materiality, taking into account the two dimensions:

- **the significance of impacts**, which analyzed the effects of the Group's activities on people and the environment in the short, medium and long term, and
- **financial significance**, which assessed how external sustainability factors influence the Group's short, medium and long-term financial performance and sustainability.

The results obtained through the double materiality process are integrated, in accordance with the provisions of the CSRD Directive, in the Sustainability Statement.

Med Life S.A. is the only entity in the Group that falls within the scope of the CSRD on an individual basis for FY 2024, being a large listed company (public interest entity), and as a parent company of a Group it prepares annual consolidated financial statements, and according to ESRS 1 "*if the reporting enterprise is a parent company required to prepare consolidated financial statements, the sustainability statement will be for the Group*". In this context, the assessment of significant IROs has been carried out on a Group-wide basis, including all companies in the review process, so that it is possible to objectively and

impartially identify significant matters. Given the fact that at the date of the analysis, the financial year for 2024 had not been completed, the analysis was based on the results for the financial year 2023 and partial results for the financial year 2024 and it was estimated that the financial results for the full financial year 2024, both for Med Life S.A. and its subsidiaries at consolidated level, will not fall below the limits set by MFP Order no. 85/2024, and Med Life S.A. as the listed parent company of the Group will continue to be required to prepare annual consolidated financial statements.

In terms of the time horizon used in the DMA process, this is aligned with ESRS standards and is presented in ESRS Section 2 BP-2. The DMA process has been structured in the following steps:

- Identifying relevant sustainability issues;
- Identify sustainability IROs corresponding to each relevant sustainability topic;
- Validate the Sustainability IROs with stakeholders;
- IROs sustainability assessment.

At the Group level, a *DMA methodology* document has been developed which sets out how this process is to be carried out and who is responsible. The identification of the relevant sustainability topics has taken into account the list of sustainability issues as required by ESRS 1.

#### ***Identification of impacts and their validation by stakeholders***

At this stage, the Coordinating Sustainability Team and the Extended Sustainability Team with the support of an external consultant analyzed the information necessary to understand the business model and the services offered, the structure of the business lines, the type of customers, the geographic areas in which the Group operates, the structure of revenues and expenses as well as other information relevant to understanding the activities carried out by the Group. In the process, analysis of similar companies, as well as specific requirements of GRI and SASB & IFRS standards were also included

Given the complexity of the Group, the activities carried out by the Group along its value chain have been divided into three main categories:

- Upstream activities: activities that precede the Group's activities, such as the manufacture of medical equipment, the manufacture of drugs, the manufacture of medical supplies, the manufacture and supply of other goods and services, the development, procurement and implementation of medical software and applications, the provision of utilities and the movement of patients and customers to the Group's locations.
- Own activities: medical consultations, diagnostic services, treatment services, prevention and education services, commercialization and distribution of medicines, wellness services realized in fitness rooms and through the SanoPass platform, stem cell storage, ophthalmologic consultations, rental and administration of premises, internal activities related to the renovation of existing or newly acquired buildings, management and administrative activities. These activities have been divided in the DMA process into the following categories (business lines): Corporate (covering all the Group's administrative activities and support functions); Clinics; Hospitals; Laboratories; Pharmacies; Other (covering all other Group activities).
- Downstream activities: activities involving the settlement and reimbursement of medical costs, the movement of patients/customers from the Group's locations by own or public means of transportation, the use of medicines sold by patients, the collection and transportation of waste.

An important aspect in the process of identifying risks and opportunities was to understand the Group's dependencies on the availability of natural, human and social resources, as well as the influence of environmental and social regulations, volatility in raw material and energy prices. A relevant source in

the identification of risks and opportunities has been sustainability impacts that could result in risks with a financial impact on the Group.

As part of the DMA process, the Group also conducted a consultation process with key stakeholders. This process also aimed to validate and complete the list of IROs identified internally by the Group. The consultation process was conducted through questionnaires to several categories of stakeholders: suppliers, customers, employees, physicians, patients and NGOs.

Mai multe informatii despre procesul de consultare se regasesc in SBM-2.

### ***Impact Assessment***

The impact assessment process - actual (actual) or potential, positive or negative impacts - was carried out by assessing the factors of Severity and Likelihood based on assessment grids established according to the DMA Methodology. The impacts analyzed were those resulting from the Group's activities and products as well as those to which it may contribute directly or indirectly through its business relationships.

Impacts were assessed by evaluating the factors Severity and Likelihood. The assessment of severity was done by considering the following sub-factors: Scope, Magnitude, and for negative impacts the irremediable character of the impact was considered. Impacts with a severity score of 5 (very high), 4 (significant) and 3 (medium) were considered material (significant). Impacts with a score below 3 were classified as insignificant and not included in the reporting.

### ***Identifying risks and opportunities***

To identify risks and opportunities, the impacts identified and assessed in the previous step, critical dependencies on natural, human and capital resources, market risks from rising energy and natural gas costs, and other risk itpures were taken into account.

Risks and opportunities were assessed using two factors: financial impact and likelihood of occurrence. Two grids were used to assess the financial impact, depending on the availability of information: quantitative and qualitative. Another grid was used to assess the likelihood of occurrence.

### ***Setting the materiality threshold and prioritizing significant risks and opportunities***

After assessing the risks and opportunities, the financial materiality threshold has been set for those risks and opportunities categorized as "Severe" and "Critical". This threshold represents the point at which a risk or opportunity is considered important enough to influence the company's financial and strategic decisions. The threshold was determined based on professional judgment, which considered a medium, high or very high financial impact, but in conjunction with an acceptable degree of probability of occurrence. Thus an impact of medium level becomes significant if it has a probable level of occurrence, and a very high impact becomes significant if its probability of occurrence is rare. In this way, the materiality threshold makes it possible to manage those risks and opportunities that present a sufficiently relevant financial impact for the Group.

### ***Assumptions applied in the DMA process***

In the DMA analysis process, several fundamental assumptions were considered to support decision making and ensure alignment with ESRS requirements and stakeholder expectations to assess the impacts of the Group's activities on the environment and people, both through its own operations and activities in the upstream and downstream value chain, as follows:

- Climate Change - It is expected that global climate change may generate significant physical hazards, including extreme weather events that may affect the Group's operations, and the Group will continue to contribute to climate change through GHG emissions that will continue to impact

the environment. At the same time, adaptation to climate change will become crucial to reduce vulnerabilities and increase the resilience of the Group, its workforce and supply chain to natural hazards.

- Energy and raw material price volatility - Fluctuations in energy and raw material prices will continue to generate financial risks for the Group, with a direct impact on operating costs and investment plans.
- Regulatory Framework - Ongoing changes in sustainability regulations, including those related to greenhouse gas emission reductions, hazardous waste management and the use of plastic consumables, will impose additional reporting and compliance requirements. These changes will impact Group's operational and financial strategies.
- Organic development of the Group and diversification of services - The Group's organic development strategy, which involves expanding the existing network and diversifying healthcare services, will influence both the Group's internal performance and its positioning in the regional healthcare market, which may have positive or negative impacts on the environment, people and relations with local communities.
- Complexity of the value chain - The impact analysis was based on the assumption that the results validated for a representative sample of suppliers and customers can be extrapolated to most of them, given the limitations of the stakeholder consultation process.
- Access to resources - The natural resources used by the Group, such as energy, natural gas and water, are sufficient for current operations, but their continued use can cause negative impacts in the medium and long term, requiring careful management for sustainability.

### ***IRO monitoring***

In 2024, the Group implemented an ESRS-compliant DMA process for the first time, marking a significant change in its approach to assessing sustainability IROs. This represents a major update from previous practices, which were not formally aligned with ESRS requirements. For some of the sustainability matters, the Group has a number of general policies and actions in place, but these will be updated to include specific measures to monitor and manage material impacts in line with the requirements of the sustainability standards.

IRO decision-making and internal control procedures are managed through a hierarchical system involving all relevant stakeholders: The Sustainability Coordinating Team, of which the Sustainability Manager is a member, the Extended Sustainability Team with representatives from Group companies, Executive Committee, Audit Committee and Board of Directors. The Sustainability Manager centralizes the results of the consultations, analyzes the IROs identified and initially presents them to the Executive Committee, which approves or adjusts the process and the results obtained. In parallel, the Audit Committee is informed about the results of the consultations and provides feedback. The final results are presented to the Board of Directors for integration into risk management strategies, and internal control procedures include mechanisms for monitoring the implementation of decisions and progress against set objectives. Transparency of the process is ensured through annual reporting and regular internal updates. The decision-making process is guided by a prioritization analysis based on qualitative and quantitative thresholds, set in line with ESRS requirements, and the prioritization of risks is determined by a comparative assessment with other risk categories. Opportunity monitoring is also included in the overall management process and is geared towards capitalizing on sustainability prospects in line with market requirements and stakeholder expectations. The process includes detailed input parameters, such as



data received from questionnaires, consultations and sector research, which are calibrated to reflect the breadth of the Group's operations and relevant details. Regular review of this process is ensured by an internal calendar, with updates made based on new information, changes in the operating context and reporting requirements. The most recent significant change to the process took place in 2024, as a result of the adaptation to the updated materiality assessment methodology and the extension of consultation to a wider range of stakeholders. The review timetable is set to include annual assessments, with the next one planned for 2025. This dynamic framework enables Group to integrate sustainability into all aspects of risk and opportunity management, ensuring constant alignment with external expectations and regulatory requirements.

Starting in 2025, Group will conduct annual assessments to review and update assessment methodology and metrics, ensuring continuous alignment with reporting requirements and stakeholder expectations. This review frequency allows for rapid adaptation to external changes and new sustainability requirements.

### **[IRO-2] - Disclosure Requirements in ESRS covered by the undertaking's sustainability statement**

The table below sets out all disclosure requirements met in the preparation of this sustainability statement resulting from the materiality assessment. The Group has determined the material information to be reported in relation to significant impacts, risks and opportunities based on a rigorous analysis using two fundamental criteria: the significance of the information in relation to the issue it explains or describes and its ability to meet the decision-making needs of users. This approach sought to identify information that contributes substantially to the understanding of critical sustainability issues, with a focus on its clarity, relevance and decision value. The process was structured to meet both the expectations of investors and other primary users of the overall financial reporting as well as the requirements of stakeholders concerned about the Group's economic, social and environmental impacts. Although no distinct qualitative or quantitative thresholds were applied, the analysis was based on a consistent application of these criteria, thereby ensuring validation and consistency of the information included in the reporting. This methodology reflects MedLife's commitment to align reporting with best practice and to provide relevant and useful information to all stakeholders.

#### *Reporting requirements in the ESRS 2 Sustainability Statement*

<b>ESRS 2</b>	<b>Disclosure Requirement</b>	<b>Page no.</b>
BP-1	General basis for preparation of sustainability statements	4
BP-2	Disclosures in relation to specific circumstances	5
GOV-1	The role of administrative, management and supervisory bodies	7
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	13
GOV-3	Integration of sustainability-related performance in incentive schemes	14
GOV-4	Statement on due diligence	16
GOV-5	Risk management and internal controls over sustainability reporting	17
SBM-1	Strategy, business model and value chain	19
SBM-2	Interests and views of stakeholders	27
SBM-3	Material IROs and their interaction with strategy and business model	30
IRO-1	Description of the processes to identify and assess material IROs	34
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	38

*Reporting requirements in the Sustainability Statement on ESRS E1*

<b>ESRS E1</b>	<b>Disclosure Requirement</b>	<b>Page no.</b>
ESRS 2 GOV-3	Integrating sustainability performance into incentive schemes	14
E1-1	Transition plan for climate change mitigation	55
ESRS 2 SBM-3	Material IROs and their interaction with strategy and business model	45
ESRS 2 IRO-1	Description of the processes to identify and assess material climate-related IROs	51
E1-2	Policies related to climate change mitigation and adaptation	55
E1-3	Actions and resources in relation to climate change policies	56
E1-4	Targets related to climate change mitigation and adaptation	57
E1-5	Energy consumption and mix	57
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	59

*Reporting requirements in the ESRS E2 Sustainability Statement*

<b>ESRS E2</b>	<b>Disclosure Requirement</b>	<b>Page No.</b>
ESRS 2 IRO-1	Description of the processes to identify and assess material pollution-related IRO's	64
E2-1	Policies related to pollution	65
E2-2	Actions and resources related to pollution	67
E2-3	Targets related to pollution	68
E2-4	Pollution of air, water and soil	68
E2-5	Substances of concern and substances of very high concern	70

*Reporting requirements in the ESRS E3 Sustainability Statement*

<b>ESRS E3</b>	<b>Disclosure Requirement</b>	<b>Page Nr.</b>
ESRS 2 IRO-1	Description of the processes to identify and assess material water and marine resources-related IROs	72
E3-1	Policies related to water and marine resources	72
E3-2	Actions and resources related to water and marine resources	73
E3-3	Targets related to water and marine resources	74
E3-4	Water consumption	74

*Disclosure requirements reported in the ESRS E5 Sustainability Statement*

<b>ESRS E5</b>	<b>Disclosure Requirement</b>	<b>Page Nr.</b>
ESRS 2 IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	76
E5-1	Policies related to resource use and circular economy	77
E5-2	Actions and resources related to resource use and circular economy	77
E5-3	Targets related to resource use and circular economy	78
E5-4	Resource inflows	78
E5-5	Resource outflows	81

*Disclosure requirements reported in the Sustainability Statement on ESRS S1*

<b>ESRS S1</b>	<b>Disclosure Requirement</b>	<b>Page Nr.</b>
ESRS 2 SBM-3	Significant impacts, risks and opportunities and their interaction with the strategy and business model	83
S1-1	Policies related to own workforce	87
S1-2	Processes for engaging with own workers and workers' representatives on impacts	91
S1-3	Processes to remedy negative impacts and channels through which own workers can raise concerns	92
S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	93
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	97
S1-6	Characteristics of the undertaking's employees	98
S1-8	Collective bargaining coverage and social dialogue	98
S1-9	Diversity metrics	99
S1-10	Adequate salaries	100
S1-14	Health and safety metrics	101
S1-16	Compensation metrics (pay gap and total compensation)	101
S1-17	Incidents, complaints and severe human rights issues and incidents	102

*Reporting requirements in the ESRS S2 Sustainability Statement*

<b>ESRS S2</b>	<b>Disclosure Requirement</b>	<b>Page Nr.</b>
ESRS 2 SBM-3	Significant impacts, risks and opportunities and their interaction with the strategy and business model	104
S2-1	Policies related to value chain workers	107
	Processes for engaging with value chain workers about impacts	109
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	109
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action	110
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	110

*Reporting requirements in the ESRS S3 Sustainability Statement*

<b>ESRS S3</b>	<b>Disclosure Requirement</b>	<b>Page Nr.</b>
ESRS 2 SBM-3	Significant IRO's and their interaction with the strategy and business model	111
S3-1	Policies related to affected communities	112
S3-2	Processes for engaging with affected communities about impacts	113
S3-3	Processes to remediate negative impacts and channels for affected communities to raise concerns	115

<b>ESRS S3</b>	<b>Disclosure Requirement</b>	<b>Page Nr.</b>
S3-4	Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	116
S3-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	117
S3	Presentation of entity specific information	117

*Reporting requirements in the Sustainability Statement on ESRS S4*

<b>ESRS S4</b>	<b>Disclosure Requirement</b>	<b>Page Nr.</b>
ESRS 2 SBM-3	Significant impacts, risks and opportunities and their interaction with the strategy and business model	119
S4-1	Policies related to consumers and end-users	123
S4-2	Processes for engaging with consumers and end-users about impacts	127
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	128
S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	130
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	135

*Reporting requirements in the ESRS Sustainability Statement G1*

<b>ESRS G1</b>	<b>Disclosure Requirement</b>	<b>Page no.</b>
ESRS 2 IRO-1	Description of processes for identifying and assessing significant IROs	136
G1-1	Corporate culture and business conduct policies and corporate culture	138
G1-2	Management of relationships with suppliers	142
G1-3	Prevention and detection of corruption and bribery	143
G1-4	Confirmed incidents of corruption or bribery	143
G1-5	Political influence and lobbying activities	143
G1	Presentation of entity specific information	144

Also, Annex 2 presents data points deriving from other EU legislation listed in Appendix B of ESRS 2, indicating the page where they can be found in the Sustainability Statement, as well as those that have been assessed as not material.

## II. EU ENVIRONMENTAL TAXONOMY

This section presents the information necessary to comply with the requirements of EU Regulation 852/2020 on establishing a framework to facilitate sustainable investment and related delegated acts. The consolidation perimeter is the same as that presented in the consolidated financial statements of the MedLife S.A. Group. In the reporting year, the Group recorded a turnover of 2,715,574,711 RON.

In order to report the information required by Regulation (EU) 2020/852 on environmentally sustainable economic activities, the Group has conducted an analysis to identify eligible economic activities based on the CAEN codes and their description in the EU Taxonomy Delegated Acts:

- Delegated Act No. 2021/2139 ("Climate Delegated Act") as amended and supplemented by Delegated Act No. 2022/1214 and Delegated Act No. 2023/2485 for economic activities that make a substantial contribution to climate objectives: climate change mitigation and adaptation, and
- Delegated Act No. 2023/2486 for economic activities that make a substantial contribution to the other four environmental objectives: sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems.

Given that the Group falls under the scope of Article 29a of Directive 2013/34/EU, the Group is required to disclose the eligibility and alignment of its economic activities with the taxonomy for the financial year 2024.

As a result of this analysis, the Group carried out the following eligible activities for which it reports in Annexes 3, 4 and 5 the financial KPIs Turnover, CapEx and OpEx, in accordance with the provisions of EU Regulation 852/2020 and Delegated Act 2021/2178 and with the subsequent communications of the European Commission on the interpretation and implementation of certain requirements of the Taxonomy Regulation: OB1 Climate Change Mitigation (CCM), as per the Climate Delegated Act 2021/2139:

- *7.7. Acquisition and ownership of buildings* carried out by RUR Medical, which operates in the field of renting buildings, having as secondary object of activity CAEN code 6810 - "Purchase and sale of own real estate";
- *7.1. Construction of new buildings* carried out by Medicis, a company that provides healthcare services and owns a newly constructed building in which a hospital operates and which has an energy performance at least 10% below the NZEB threshold.
- *7.2. Renovation of the existing buildings* of the companies Sama Medical Center and Provita Diagnostic and Treatment Center providing healthcare services and having carried out major renovation works.<sup>3</sup>

For CCM activity 7.7, the Group recorded revenues, and for CCM activities 7.1. and 7.2. the Group recorded CapEx expenses of type c) in accordance with the provisions of Article 1.1.1.2.2. of Annex I of Delegated Act No 2021/2178.

No OpEx operating expenses were identified for any of the eligible activities. The Group conducted an analysis to assess the technical criteria for aligning these activities, concluding that all eligible activities are misaligned to the taxonomy.

The methodology for calculating the key performance indicators (KPIs) for alignment with the Taxonomy is based on data extracted from the Group's consolidated financial statements, which are prepared and presented in accordance with International Financial Reporting Standards (IFRS). Revenues are measured in accordance with IFRS 15, recognized at the time of transfer of control to

<sup>3</sup> According to Law No 372/2005 works carried out on the building envelope and/or its technical systems, the costs of which exceed 25% of the taxable value of the building, excluding the value of the land on which the building is situated.

the customer, while capital expenditure (CapEx) follows IAS 16 (Property, Plant and Equipment), IFRS 16 Leases and IAS 38 (Intangible Assets) and operating expenses (OpEx) are recorded in accordance with IFRS cost recognition guidelines. The amounts so determined are allocated to the economic activities as defined by the EU Taxonomy to determine the proportion of turnover, capital and operating expenses that are eligible or aligned, while ensuring that the reported metrics accurately reflect both IFRS-based financial results and compliance with sustainability objectives.

The Group has implemented measures to prevent double counting by ensuring that revenue and expense allocations between taxonomy-eligible economic activities are carried out in a consistent and transparent manner, accurately reflecting the performance of each economic activity.

The economic activities carried out in 2024 by the subsidiaries of the Group that were deemed eligible following the evaluation contribute to a single environmental objective. The Group does not present a disaggregation of the indicators, as CapEx expenses are associated with a single activity – the provision of medical services.

**The turnover indicator** was calculated as follows:

- For the financial year ended December 31, 2024, based on the accounting policies presented in Note 3 Material accounting policies representing a total of 2,715,574,711 RON. The turnover is reconciled with the Consolidated Financial Statements for the financial year ended December 31, 2024, Note 19 Revenue from Contracts with Customers.

in the numerator we have included the incomes of the company RUR MEDICAL which come from royalties, management leases and rents thus resulting in an eligible and unaligned turnover of 636,676 RON for the activity 7.7. The amount is identified through the use of accounting accounts. The activity corresponds both from the point of view of CAEN code and from the point of view of description, with activity 7.7 Buying real estate and exercising the right of ownership over real estate, foreseen in Annex I of the Delegated Act 2021/2139, being an activity that contributes substantially to the environmental objective *Mitigation of climate change*.

*Table on turnover in RON*

Turnover	2024	2023	Activity as per Taxonomy
RUR MEDICAL	636,676	554,233	7.7

Eligible turnover represents 0,02% of the total turnover achieved by the Group. Turnover realized in 2024, which is not eligible accounted for 99,98% of the total.

**The CapEx indicator** has been calculated as follows:

- The denominator is recognized in the Consolidated Financial Statements for the financial year ended December 31, 2024, based on the accounting policies presented in Note 5 'Property, Plant and Equipment and Intangible Assets'. Capital expenditures (CAPEX) are reconciled with the amounts presented in the Consolidated Financial Statements for the financial year ended December 31, 2024, in Note 5.1 'Property, Plant and Equipment', under the lines 'Additions' and 'Additions from business combinations', and in Note 5.2 'Intangible Assets', under the lines 'Additions' and 'Additions from business combinations'. The value of the CAPEX denominator in 2024 was RON 387,905,704 for the calculation of the numerator we took into account the additions of tangible and intangible fixed assets related to the purchase of products from economic activities aligned with the taxonomy and individual measures to facilitate the target activities aimed at reducing carbon emissions or leading to reductions in greenhouse gas emissions, namely 7.1. *Construction of new buildings* in the amount of 37,151,561.59 RON related to Medicis and 7.2. *Renovation of existing buildings* in the amount of 20,413,167 RON related to Sama Medical Center and Provita Diagnostic and Treatment Center.



Below is the situation of capital expenditure of type c), identified and analyzed in accordance with Annex I of Delegated Act No. 2021/2178, for the construction of new buildings and renovation of existing ones:

*Table on Type C CapEx expenditure in RON*

<b>CapEx type C</b>	<b>2024</b>	<b>2023</b>	<b>Activity according to Taxonomy</b>
Medicis	37,151,562	1,660,325	7.1
Sama Medical Center	14,467,473	709,351	7.2
Provita Diagnostic and Treatment Center	5,945,694	-	7.2
<b>Total</b>	<b>57,564,729</b>	<b>2,369,676</b>	

In the reporting year, the Group made significant investments in the construction of a new hospital (Medicis), which complies with the energy efficiency requirements set by the NZEB standards, and invested in the renovation of existing buildings by upgrading two hospitals, meeting the criteria for major renovations. These modernization investments are aimed at improving the energy performance of the buildings and meeting minimum energy efficiency requirements, contributing to the reduction of greenhouse gas emissions and increasing the sustainability of the medical infrastructure.

The percentage of eligible and not aligned CapEx is 14.8% and the percentage of not eligible CapEx is 85.2% of the total CapEx.

**The OpEx operating expenditure indicator has been calculated as follows:**

- in the denominator we have included the total operating expenses for the specified functions set by Delegated Act No. 2178/2021, amounting to 38,505,512 RON for fiscal year 2024.
- We have included one 0 RON in the numerator as no eligible expenditures were identified for the specified functions established by Delegated Act No. 2178/2021.

The percentage of eligible and non-eligible OpEx expenditure is 0% and the percentage of non-eligible OpEx expenditure is 100% of the total eligible OpEx expenditure.

Total OPEX consists of non-capitalized direct costs related to research and development, building renovation measures, short-term leasing, maintenance and repairs, and any other direct expenses related to the daily servicing of assets, properties, facilities, and equipment, as well as staff training.

### III. ESRS E1 - CLIMATE CHANGE

#### [E1.SBM-3] - Material impacts, risks and opportunities and their interaction with strategy and business model.

The following table lists the climate change-related impacts, risks and opportunities that MedLife has identified and assessed as material in its DMA, including the categories of affected stakeholders and the business line impacted. This disclosure should be read in conjunction with ESRS 2, in particular IRO-1 and SBM-3, in accordance with the CSRD. Abbreviations (if applicable) are in Appendix 1.

*Table on climate change impacts, risks and opportunities ESRS E1*

#	Short description	Stakeholders						Upstream	Business lines						Downstream
		Employees & Workers	Customers	Patients	Suppliers	Community	Silent stakeholder		Corporate	Clinics	Laboratories	Hospital	Pharmacies	Other	
M1	The potential effect of climate risks on own operations	✓							✓	✓					
RO2	Climate change may affect the Group's infrastructure and activities, disrupting service continuity and increasing operational costs							✓		✓	✓	✓	✓	✓	✓
RO4	The increased frequency and severity of extreme weather events may lead to an increased demand for medical services									✓	✓	✓	✓		
M2	GHG emissions from own activities					✓	✓		✓	✓	✓	✓	✓	✓	
M3	GHG emissions from value chain activities					✓	✓	✓							✓
RO1	Likelihood of additional regulations on greenhouse gas (GHG) emissions and climate transition by 2050							✓	✓	✓	✓	✓	✓	✓	✓
M4	Non-renewable energy consumption in own activities					✓	✓		✓	✓	✓	✓	✓	✓	
M5	Non-renewable energy consumption in upstream and downstream value chain activities					✓	✓	✓							✓

These negative impacts generate the following effects:

- *potential negative impact on the workforce through inadequate preparation of its operations to cope with the natural hazards of climate change due to failure to develop an adaptation plan.*
- *contributes to long-term climate change and human impacts through the generation of GHG emissions, in its own activities and those in the upstream and downstream value chain.*
- *contributes to environmental impacts as a result of the consumption of energy from non-renewable sources in its own activities and in upstream and downstream value chain activities.*

The risks and opportunities identified may have the following financial implications:

- *on its financial position and performance as well as its medium and long-term cash flows through the impact of additional regulations on greenhouse gas (GHG) emissions and climate transition.*
- *on operational costs and continuity of services through climate change leading to chronic physical risks (changes in weather patterns) as well as acute physical risks (extreme events) that may affect the Group's infrastructure and activities. These risks are related to: increase or decrease in temperatures, decrease in precipitation, floods or wildfires, storms; phenomena that may lead to: increase in electricity and gas consumption; restrictions in water supply, disruptions in the supply chain, damage to buildings, equipment and energy and gas supply systems; business interruptions.*
- *increasing revenues by attracting more patients and diversifying Group's medical services as a result of increased demand for medical services due to the intensification of extreme weather events.*

For the Group, material IROs related to climate change mitigation, climate change adaptation and energy efficiency are closely linked to the Group's strategy and business model. These manifest themselves both in the Group's own activities, such as the operation of the medical facilities and

other premises in which the Group operates, and in its business relationships with suppliers. The Group's resilience to these is influenced by renewable energy regulations, but also by working effectively together across the value chain to achieve our commercial and sustainability objectives.

Impact M1 refers to the potential effect of climate risks on the Group's internal operations and workforce caused by insufficient preparedness to cope with climate change risks in the absence of an adaptation plan. Although there is currently no imminent or direct risk to the safety of employees, collaborators or those accessing the Group's premises, climate risks could in the future affect the integrity of buildings and the conditions in which activities are carried out against the backdrop of the increasing effects of climate change. The Group's activities involve a significant number of employees and collaborators who work in various locations that could be exposed to climatic risks, which could jeopardize their safety in the event of extreme events. In addition, the Group's business model involves direct interaction with patients and customers in its premises and they could also be vulnerable to extreme weather events that could affect the integrity of the buildings owned.

Impacts M2 relate to the Group's contribution to climate change through Scope 1 and 2 greenhouse gas (GHG) emissions from its own activities and impact M3 relate to the Scope 3 emissions from the value chain activities. Scope 1 emissions come from direct sources, such as thermal power plants and fuel consumption for service vehicles, and Scope 2 emissions come from electricity consumption to operate the Group's premises and equipment. The Scope 3 emissions are indirect and come from suppliers, transportation of raw materials, distribution of final products, patients, etc.

In parallel, the M4 and M5 impacts target the consumption of non-renewable energy in the Group's own operations and value chain activities, coming from conventional sources such as gas, oil or coal. These sources are used in internal processes, operation of equipment and in heating or cooling systems in buildings. Upstream, this consumption refers to the energy used by suppliers to produce raw materials, and downstream, to the energy consumed for the distribution and use of products by customers.

The impact of additional regulations on greenhouse gas (GHG) emissions and the climate transition to 2050 (RO1) pose the risk of substantial investments to align operations with new sustainability standards. These investments may include upgrading infrastructure to reduce non-renewable energy consumption, transitioning to green energy sources, and further digitization of processes to optimize resource use. Compliance costs will become significant, impacting operational performance, but at the same time, the measures put in place can reduce energy consumption and therefore costs in the long term.

The increase in the frequency and severity of extreme weather events may also create an opportunity for the Group (RO4) through greater demand for medical services, including treatments for heatwave-related illnesses, respiratory conditions aggravated by pollution and water and airborne infections. In the long term, this opportunity can contribute to revenue growth by attracting more patients and diversifying the Group's medical services. The adaptation of infrastructure and the development of specialized medical solutions will enable the Group to respond effectively to new needs, strengthening its market position and reinforcing its financial resilience.

In its climate risk analysis, MedLife identifies two major categories of climate risks (RO2): physical risks<sup>4</sup> and transition risks.

### **Acute physical risks**

Acute physical hazards include extreme weather events such as heat waves, storms, floods and wildfires. These phenomena can directly affect MedLife's infrastructure, patient access and public health.

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<sup>4</sup> Acute or chronic

*Table on acute physical risks*

Type of risk	Description SSP2-4.5	Description SSP5-8.5	Impact
<b>Heat waves</b>	Increasing frequency of heat waves, especially in urban areas, with extreme temperatures exceeding 40°C in coming summers.	Heat waves are becoming more intense and frequent, with temperatures above 45°C, particularly affecting vulnerable people.	Increase in the number of patients with heatstroke, cardiovascular problems and dehydration. High air conditioning costs
<b>Storms and extreme precipitation</b>	More intense precipitation within a short time frame, but regionally variable. Some areas may experience longer droughts, others may experience heavy downpours.	More frequent extreme storms, increased risk of flooding in low-lying areas and damage to infrastructure.	Possible damage to clinics and hospitals, difficulties in transportation of patients and medical staff, difficulties in supply chains or disruptions in the supply of utilities.
<b>Urban flooding</b>	Increased risk of flooding in cities along large rivers, but limited impact nationwide.	Frequent and higher intensity floods, including significant risk to urban infrastructure.	Additional costs for reconstruction and adaptation.
<b>Drought and availability of water resources</b>	Risk of dry summers, which may affect the availability of public water resources	Severe water stress, which may impact continuity of care.	Increased costs associated with water procurement, possible interruption of services in case of severe droughts. Impact on hygiene in hospitals.

**Heat waves.** Increasing frequency of heat waves puts pressure on medical infrastructure. Extreme high temperatures can affect the thermal comfort and safety of patients and staff and can lead to an increased incidence of medical emergencies (heat stroke, dehydration, cardiovascular complications). For MedLife, heat waves impose increased operational costs for MedLife in cooling buildings (clinics, hospitals) and protecting temperature-sensitive medical equipment (e.g. laboratory or imaging equipment needs to be maintained at optimal intervals). Healthcare facilities will consume more electricity for air conditioning, leading to higher energy bills and energy efficiency challenges. Thus, the risk of extreme heat is present in the short term (heat waves occur annually in Romania) and will become even more severe in the medium and long term amid continued global warming.

**Storms and extreme weather.** Historical observations and climate forecasts based on these indicate an increase in the frequency of weather phenomena such as large hail, lightning, intense winds and tornadoes. In terms of large and very large hail, the southern part of Romania, especially Oltenia and Muntenia are the most prone to this phenomenon. It can cause significant damage to buildings, cars and other property. Climate change increases the likelihood of violent storms, extreme precipitation in a short time and local flooding. These events can cause destruction or damage to MedLife buildings (flooded roofs, flooded basements, damaged IT infrastructure) and can interrupt the normal functioning of medical facilities. In addition, extreme events can disrupt transportation and utility networks: power outages, water supply interruptions or blocked access to certain clinics.

**Flooding.** The urban environment is prone to this risk, as the possibility of taking significant amounts of rainfall is reduced due to the size of sewerage systems and dry soil that does not allow water infiltration or large concrete surfaces. Flooding is a particular risk for locations in low-lying areas or along rivers: water can damage expensive equipment and impose repair, reconstruction and emergency costs. For example, a flooded hospital or clinic may need to relocate patients and interrupt operations while repairs are being made.

Therefore, the risk of physical damage from storms and floods is already current (short term 2025 - 2030) - Romania regularly experiences severe floods - and is expected to increase in the medium (2030 - 2040) and long term (2040 - 2050), as intense precipitation episodes become more frequent under pessimistic climate scenarios.

**Drought.** Prolonged droughts have the potential to increase the cost associated with water consumption, due to a reduction in the amount available. Both scenarios considered may affect MedLife's current business. Although less immediately visible, changes in precipitation patterns may lead to prolonged droughts and water shortages in certain regions. MedLife facilities depend on running water for sterilization, hygiene, air conditioning (cooling towers), laboratories and other services. Severe drought can put pressure on drinking and domestic water resources, requiring investment in alternative systems (e.g. rainwater harvesting systems or boreholes).

### **Chronic physical risks**

Chronic risks refer to long-term climatic changes that influence temperature, precipitation and environmental conditions. These can have cumulative effects on public health, health infrastructure and the resources needed to run the health system.

*Table on chronic physical risks*

Type of risk	Description SSP2-4.5	Description SSP5-8.5	Impact
<b>Rising average temperatures</b>	Increase in average temperature by about 2-3°C by 2100, with longer and warmer summers.	Temperature rise of over 4.4°C, extremely hot summers, heat waves lasting for weeks.	Higher operational costs for air conditioning, risk to the health of patients and medical staff.
<b>Changing precipitation patterns</b>	Moderate droughts in some regions, while others receive more rain.	Severe and prolonged droughts, alternating with heavy rains causing landslides and floods.	Impact on water resources used in hospitals and clinics. Need for rainwater harvesting systems.
<b>Affecting water resources</b>	Moderate risk to water resources during dry periods.	Severe water stress, with potential crisis in some regions.	Increased costs to ensure stable water consumption in medical facilities.
<b>Changes in the distribution of infectious diseases</b>	New outbreaks of vector-borne diseases. Emergence of new viruses as ancient glaciers melt.	Expansion of tropical disease hotspots, increased risk of gastrointestinal diseases due to contaminated water. High risk of several new viruses emerging at the same time.	Increasing demand for healthcare services, the need for more advanced epidemiologic training.

### **Transition risks**

**European and national climate change regulations** are imposing stricter standards on energy efficiency and greenhouse gas emission reduction, with a direct impact on the private healthcare sector, including MedLife.

The European Climate Law, the National Strategy for Emission Reductions and the National Integrated Energy and Climate Plan (PNIESC) set clear targets for achieving climate neutrality by 2050 and reducing emissions by at least 55% by 2030. These targets translate into obligations for companies, such as conducting regular energy audits, increasing the energy efficiency of buildings and equipment, and adopting renewable energy solutions. For MedLife, these regulations may create additional costs for MedLife in having to comply with the new requirements, including the possible application of carbon taxes that could increase operational expenses, particularly for energy consumption and heating of medical facilities.

At the same time, the transition to a low-emission economy brings significant **technological risks**, as some medical equipment can be energy-intensive and efficiency solutions require substantial investment. The adoption of more energy-efficient medical technologies and digitization of processes are essential to remain competitive. MedLife could be harmed if it does not invest in innovative solutions, such as smart energy management systems, energy-optimized medical equipment or digital platforms that reduce the need for physical resources.

Another risk factor is **changes in the behavior of consumers and business partners**, who are becoming increasingly aware of environmental impacts. Patients and investors may favor healthcare providers that implement sustainable practices, such as using green energy, reducing resource waste and managing medical waste responsibly. MedLife must consider integrating these aspects into its strategy to maintain and expand its customer base, but also to meet the increasingly stringent requirements from funders and institutional partners.

**Rising energy and raw material prices** also represent a major financial risk with a direct impact on operating costs. The implementation of carbon taxes (ETS2) and other policies to discourage the use of fossil fuels may increase MedLife's operating expenses, particularly in terms of electricity consumption, heating of facilities and transportation of medical supplies.

The European Urban Waste Water Treatment Directive (UWWTD) requires the pharmaceutical and cosmetics industry to finance the upgrading and operation of waste water treatment plants to remove micropollutants. This measure could significantly increase costs for generic manufacturers, thereby affecting the availability of essential medicines on the market.

### Resilience analysis

In the case of MedLife, the resilience analysis focused on identifying significant climate risks that could affect the company's operations and value chain, including activities in its clinics, hospitals, laboratories and centers of excellence. For the purpose of this analysis, certain significant physical risks, such as flooding in locations near rivers or heat waves in large cities, were included in the risk analysis, while others, such as risks related to more rare or localized weather events, were excluded if their impact was considered insignificant. In terms of transition risks, MedLife analyzed European regulations requiring sustainability reporting and carbon reduction.

In the resilience analysis carried out for MedLife, the value chain is assessed from a qualitative perspective, taking into account climate risks relevant to the company's activities. Although the analysis covers the value chain, it has not been carried out quantitatively for all process steps. Thus, the climate risk assessment focuses on the general identification of physical and transition risks, but does not include a detailed quantification of the impact on each component of the value chain. Instead, only risks that may directly affect MedLife's key operations have been considered, without including all potential risks that are more specific and particularly addressed to upstream or downstream parties.

Climate change generates two major categories of risks for MedLife (operator of critical health infrastructure), as outlined above: physical risks and transition risks. The identification and assessment of climate risks for MedLife was carried out in accordance with the TCFD framework and the recommendations of the IPCC, WHO and the European Climate Risk Assessment. The process included several steps.

- In the first step, climate data were collected and analyzed using the SSP2-4.5 and SSP5-8.5 scenarios to assess the evolution of temperature, precipitation and frequency of extreme weather events and by integrating data from the *Romanian State of Climate 2024* to identify vulnerable regions in Romania. This information allowed to outline an initial list of potential hazards. More information is presented in ESRS 2 IRO-1 in this section.
- In the second stage, the risks relevant to MedLife were identified from the list of hazards, by correlating each phenomenon with MedLife's presence in the exposed areas, taking into account exposure (MedLife's locations to identify whether they are in risk areas - e.g. flood plains or congested urban centers) and vulnerability (determining the degree of



preparedness or fragility of the infrastructure in the face of the identified risks). For example, the "flooding" hazard was considered relevant because MedLife has units in riverside cities (Galati, Braila on the Danube; Iasi on the Bahlui; Budapest on the Danube, etc.), so exposure exists and vulnerability depends on the existing protection measures. Subsequently, in the same phase, the qualitative and quantitative assessment of the identified risks was carried out, each identified climate risk being evaluated based on three main criteria: probability - how likely a specific climate risk is to occur in a given time horizon; magnitude of impact - the extent of the impact that the risk may have on MedLife's operations and assets; and duration of hazard - the time period during which the effects of a climate risk are felt, both as direct impact and as secondary effects on infrastructure and operations.

- The third step consisted in assessing the following categories of climate risk impacts on MedLife:
  - ✓ impact on infrastructure: medical units located in areas of high climatic risk (e.g.: Bucharest, Cluj-Napoca, Timisoara for heat waves; Moldova and south-western Romania for floods).
  - ✓ Operational impact: risks related to the availability of essential resources (water, energy), increased maintenance and air conditioning costs.
  - ✓ Financial impact: additional costs for ESG compliance, carbon taxes and investments needed for adaptation.
- Phase 4 identified adaptation and risk reduction strategies: modernization of infrastructure for climate risk resilience; transition to renewable energy sources and reduction of resource consumption; creation of contingency plans for continuity of operations in extreme weather events that may affect critical infrastructure.

Climate risks require a number of strategic investments to minimize losses and improve operational resilience. This chapter analyzes the financial impact of these risks on MedLife's operations in the short, medium and long term. MedLife needs to consider both the direct and indirect costs generated by climate risks on infrastructure, providers and demand for healthcare services.

*Table on the potential financial impact of physical climate risks*

Risc	Potential financial impact
Frequent and intense heat waves	Increased costs of cooling medical spaces and protecting temperature sensitive equipment. Impact on energy efficiency and increased energy bills.
Extreme weather events (storms, floods)	Damage to hospital infrastructure, reconstruction and maintenance costs, operational interruptions.
Increasing incidence of diseases caused by climate change	Increased demand for medical services related to respiratory diseases, cardiovascular diseases and vector-borne diseases.
Supply chain disruptions	Increased costs for raw materials and medical equipment due to transportation affected by extreme events.

**Impact of transition risks on costs and revenues.** Transition risks, driven by legislative regulations and changes in consumer preferences, can create both additional costs and growth opportunities for MedLife.

*Table on the potential financial impact of transitional climate risks*

Regulation/Factor	Financial impact for MedLife
Carbon taxes and emission-related costs	Increased energy and fuel costs, especially if infrastructure is not energy optimized.
Directive 2022/2464 (CSRD)	Administrative costs for calculating and reporting emissions and implementing compliance measures, including auditing of sustainability statements.
Transition to renewable energy	The need for initial investments in solar systems, heat pumps and energy optimization of medical facilities.

Changes in consumer demand

Increasing competition in the healthcare sector from the perspective of clinics with well-defined ESG strategies and shifting patient interest towards sustainable providers.

For a fair assessment of the financial impact, MedLife considered two climate scenarios *SSP2-4.5* and *SSP5-8.5*

*Table on climate scenarios used in climate risk analysis*

Time horizon	SSP2-4.5 - Moderate impact	SSP5-8.5 - Severe impact
2025 - 2030	Moderate regulatory compliance costs, initial investments in green energy and energy efficiency.	Accelerated costs of adapting to extreme temperatures, immediate investment in resilient infrastructure.
2030 - 2040	Cost stabilization, but with the need for continued investments in energy optimization and waste management.	Accelerated growth in operational expenses, supply disruptions and high costs of natural disaster management.
2040 - 2050	EU-wide climate neutrality achieved, operating costs stabilized, competitiveness in sustainable healthcare market.	Severe economic impact, high costs for adaptation to extreme events and increased risk of legislative penalties.

#### **[E1.IRO-1] - Description of the processes to identify and assess material climate-related impacts, risks and opportunities**

*This disclosure should be read in conjunction with the information presented in SBM-3 in this section.*

In order to identify and assess the risks and opportunities related to climate change, the Group has analyzed all activities in Romania and Hungary, as well as the main operations in the value chain, both upstream and downstream. Internal experts from various departments were also consulted to provide insights on the magnitude, scope, likelihood of occurrence and irreparability of the identified impacts. As of 2024, the Group is monitoring and managing greenhouse gas (GHG) emissions from its activities and value chain using methodologies compliant with international standards such as the Greenhouse Gas Protocol.

MedLife has identified the physical risks related to climate change that could affect both its own operations and the value chain, including suppliers and customers, to assess how these risks are reflected in the company's internal operations.

For the Group, the identification of climate risks was carried out through a multi-step structured process as described above in *SBM-3 of this section*, based on a clear methodology and relevant data sources, which allowed a comprehensive assessment of climate risks. The methodology was based on a detailed "cascade" screening process, starting from the European level, and continuing with a focus on the specifics of the Eastern European region and Romania. In the first step, observed climate trends in Europe were studied, using available data on the frequency and intensity of extreme weather events such as heat waves, changes in precipitation patterns and sea level rise, with these risks impacting several sectors, including health, agriculture and infrastructure.

Next, climate projections for Central and Eastern Europe, including Romania, based on the SSP2-4.5 and SSP5-8.5 scenarios, were used to assess the impact of the evolution of average temperatures and changes in precipitation, taking into account possible droughts and floods. Based on these data and projections, major climate risks were identified, such as heat waves, prolonged droughts and floods, which can affect not only human health but also water resources and agriculture. MedLife used this information to outline an initial list of risks that could impact the company's operations and infrastructure. In addition, the risk identification process was completed by integrating data from the *State of the Climate Romania 2024* and utilizing IPCC and WHO recommendations, ensuring a comprehensive assessment of climate risks specific to MedLife's activities.

The physical risk assessment was conducted by analyzing the vulnerability of the company's critical infrastructure and business activities to the identified climate events. This allowed Group to better understand the potential impact of climate change on its assets. As part of the analysis, MedLife assessed the exposure of its infrastructure and activities to these risks, taking into account the locations of its facilities (e.g. hospitals and clinics located in areas vulnerable to flooding or heat waves). It also assessed how these risks affect the availability of resources, taking into account the reliance on energy and water suppliers that may be affected by climate change. Value chain activities were thus implicitly included in the analysis. The risks identified include disruptions to water and energy supplies, increased maintenance costs, and the need for investment in infrastructure adaptation to meet these challenges. The assessment considered the physical impact of the hazards on the company's activities and assets, creating physical risks that may affect MedLife's current and future operations.

The vulnerability assessment was carried out based on geographical location within the country, describing for each risk the most vulnerable areas of Romania. For example, coastal cities or urban areas exposed to heat waves or floods were identified. This assessment briefly detailed what impact each risk could have on infrastructure, such as possible damage or malfunctioning of medical facilities. However, the specific vulnerability of asset types has not been subject to a detailed assessment at this stage.

In the process of identifying climate risks, climate scenarios for the periods 2031-2050 and 2071-2100 were used, compared to the baseline period 1971-2000, to assess their evolution over time. Each climate risk was analyzed in terms of its applicability over short (2025-2030), medium (2030-2040) and long (2040-2050) time horizons. For each of these horizons, the applicability of climate risk was detailed and the expected impacts on the company's assets, infrastructure and operations were described, including supply-side issues. For example, for heat waves, potential impacts on employee health and infrastructure, as well as the supply chain of critical resources, were analyzed. This approach enabled a detailed understanding of the risks and financial impacts for each time horizon, facilitating the planning, prioritization and implementation of appropriate mitigation and adaptation measures.

### Linking time horizons to assets, strategic plans and capital allocation

**Assets:** the period of use of MedLife's infrastructure, medical equipment and technologies before they need to be replaced, modernized or adapted to new climatic and technological conditions.

#### *Correlation table between time horizons and Group assets*

Type of asset	Estimated lifetime	Relevance for climate risk analysis
Buildings (hospitals, clinics, laboratories)	30-50 years	New buildings must be energy efficient and resistant to extreme weather.
Medical equipment (MRI, CT, laboratory equipment)	7-15 years	Equipment needs to withstand higher temperatures and be energy efficient.
Car fleet (ambulances, transport vehicles)	5-10 years	Transition to electric/hydrogen or low emission vehicles to reduce emissions.
IT infrastructure and data centers	5-10 years	Requires protection against overheating and energy fluctuations.

The influence of climate risks on the lifetime of assets is shown in the table below.

#### *Table on the influence of climate risks on the lifetime of the Group's assets*

Horizon	Measures
Short-term (2025-2030)	The need to adapt existing equipment to cope with higher temperatures and energy efficiency
Medium-term (2030-2040)	Investments in modernizing buildings to reduce energy consumption and climate impact.

Long-term (2040-2050)	Decisions on relocation or closure of units vulnerable to flooding or prolonged drought.
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**Strategic planning:** integrating climate risks to maintain continuity of services and sustainability of operations.

*Table linking time horizons to the Group's strategic planning*

Time horizon	Relevance for MedLife strategy
Short term (2025-2030)	Rapid implementation of energy reduction measures and compliance with ESG regulations.
Medium-term (2030-2040)	Upgrade infrastructure and equipment to reduce climate impacts.
Long-term (2040-2050)	Adapt the entire business model to remain competitive in a climate neutral economy.

The influence of climate risks on strategic planning is presented in the table below.

*Table on the influence of climate risks on the Group's strategy*

Horizon	Measures
Short-term (2025-2030)	Compliance with ESG requirements (e.g. CSRD, EU Taxonomy), reduction of emissions and implementation of energy efficiency measures.
Medium-term (2030-2040)	Investing in sustainable infrastructure and green technologies to increase climate resilience.
Long-term (2040-2050)	Adapting the business model to the green economy, having fully decarbonized and energy efficient medical facilities.

**Capital Allocation:** MedLife's decisions on capital allocation must take into account the need to invest in sustainable infrastructure and reduce long-term operating costs.

*Table correlating time horizons with Group capital allocation*

Time horizon	Type of priority investments
Short term (2025-2030)	Procurement of energy efficient equipment, initiation of ESG reporting, energy audit.
Medium-term (2030-2040)	Modernization of medical infrastructure, investments in renewable energy and energy efficiency.
Long-term (2040-2050)	Technological innovation, adopting a climate neutral business model.

The influence of climate risks on capital allocation is shown in the table below.

*Table on the influence of climate risks on the Group's capital allocation*

Horizon	Measures
Short-term (2025-2030)	MedLife needs to allocate capital for energy audit, ESG reporting, energy efficient equipment.
Medium-term (2030-2040)	Major investments in thermal rehabilitation of hospitals, solar panels, heat pumps.
Long-term (2040-2050)	Capital allocation must support fully decarbonized hospitals and technological innovation.

In the next step of identifying climate risks relevant to MedLife, the process involved linking the identified hazards to the company's locations and activities. This involved analyzing the exposure of MedLife facilities in areas exposed to various climatic hazards, assessing the vulnerability of infrastructure to these hazards, taking into account existing protective measures. The assessment

of the identified<sup>5</sup> risks was carried out through a qualitative and quantitative approach, using three main criteria: the likelihood of occurrence of a climate risk within a given time horizon, the magnitude of the impact on MedLife's operations and assets, and the duration of its effects. Each criterion was rated on a scale of 1 to 5, providing a detailed estimation of risks based on these dimensions. For example, for likelihood, risks were ranked in terms of their estimated frequency, from 'very low' to 'very high', while the magnitude of impact was assessed in terms of financial costs and operational effects. The duration of the impacts was measured in terms of time periods, ranging from short impacts of a few days to longer lasting impacts that may affect infrastructure and operations in the longer term. The final score given to each risk represented the average of the three assessments, thus allowing a prioritization of climate risks relevant to MedLife in order to implement effective mitigation and adaptation strategies.

This analysis assesses the impacts of climate risks in the context of two climate scenarios, namely:

- **SSP2-4.5:** The "middle path" scenario, which projects a global temperature increase of about 2.7°C by 2100 if greenhouse gas emissions stabilize in the second half of the century.
- **SSP5-8.5:** The "business-as-usual" scenario, in which the extensive use of fossil fuels and accelerated emissions growth lead to a global temperature increase of more than 4.4°C by 2100.

In the analysis carried out, there is no differentiation between the impact assessments of these two scenarios, but a cumulative approach, integrating the identified climate risks into a composite score for both scenarios. This means that the assessment of climate risks<sup>6</sup> is done at the aggregate level, based on an overall score, without differentiating the impacts of each scenario individually. The analysis thus provides a general overview of climate risks without detailing the specific impacts of each emission trajectory.

The scenarios were chosen to reflect both the opportunities for transitioning to a greener economy (through SSP2-4.5) and the extreme physical risks associated with continued greenhouse gas emissions (through SSP5-8.5). The assessment has been carried out within a clear time frame, according to defined time horizons: short (2025-2030), medium (2030-2040) and long (2040-2050). In this analysis, not only physical risks such as heat waves, droughts and floods have been considered, but also transition risks related to regulation and technological changes, including impacts on MedLife's infrastructure and supply chains.

MedLife has applied a detailed screening methodology of relevant legislation to assess the risks and opportunities related to the climate transition. In doing so, the company took into account the European and national legislative framework, taking into account regulations that directly influence the private sector as well as those that apply to the whole economy.

Among the relevant EU regulations, MedLife assessed the European Climate Law (targets to reduce greenhouse gas emissions by at least 55% by 2030 compared to 1990 levels, and to set a climate neutrality target by 2050). In addition, the Renewable Energy Directive (RED II) requires Member States to achieve a minimum of 32% of energy consumed to come from renewable sources by 2030, thus influencing the company's decisions on the energy sources used in its operations. Furthermore, MedLife has analyzed Romania's long-term strategy for reducing greenhouse gas emissions - "Romania Neutral in 2050", which details the measures needed to achieve climate neutrality. These measures include promoting renewable energy, decarbonizing the transport sector and buildings, and prioritizing recycling and waste management systems. The National Integrated National Energy and Climate Change Plan 2021-2030 was also assessed in light of its energy efficiency and emission reduction targets, which are essential for mainstreaming climate objectives into economic activities and the private sector.

<sup>5</sup> Professional judgment based on reviewed sources

<sup>6</sup> The same goes for the transitional ones

To assess transition opportunities, MedLife has applied a screening methodology that considers societal and technological trends relevant to the healthcare sector. This methodology includes analyzing global and local trends in green technologies, such as energy efficiency solutions and renewable energy sources, to identify their impact on the company's operations and activities.

For the methodological analysis, MedLife took into account international guidelines and best practices such as the Operational Framework for Building Climate-Resilient and Low-Carbon Health Systems (WHO, 2023), which emphasizes the need for health systems to invest in the development of health workforce competencies. These competencies are essential not only to respond to climate risks, but also to facilitate the transition to a low-carbon operating model.

In analyzing transition risks and opportunities, MedLife has identified relevant transition events in the short, medium and long term, but has not fully followed the detailed format of the ESRs. Although it focused primarily on the legislative framework, which is a significant component of the transition risk assessment, the time horizons for identifying transition risks largely coincide with those used in the physical risk assessment, i.e. 10 years or more, in line with public climate goals. Thus, MedLife has addressed transition risks in the context of European and national regulations, such as the European Climate Act and the National Health Strategy, which have a significant impact on the company's activities in the medium and long term. While not following exactly the structure of the ESRs, the overall approach follows the same fundamental principles of integrating climate objectives into long-term strategies, thus contributing to an overall framework for climate change adaptation and the transition to a low-carbon economy.

In assessing the exposure of MedLife's businesses and assets to the identified transition events, the company applied the same scoring methodology used for physical risks. This took into account factors such as the magnitude, likelihood and duration of the transition events, assessing in detail their impact on the company's operations and activities. This approach enabled a clear estimation of MedLife's exposure and sensitivity to transition risks in a similar way to that used for physical risks, providing a consistent framework for analyzing and managing climate risks in both contexts.

In the assessment, MedLife has identified assets and activities that are incompatible with the transition to a climate-neutral economy or that require significant efforts to become compatible with this transition. For example, some of its assets may be considered "locked-in GHG emissions", having significant greenhouse gas emissions already locked in infrastructure or being incompatible with the EU Taxonomy alignment requirements (Commission Delegated Regulation (EU) 2021/2139). These assets and activities require careful review and adjustment measures to comply with long-term climate goals. An example of such assets are old buildings and infrastructure that use conventional energy sources and need to undergo significant renovation or retrofitting to meet emission reduction requirements.

Given that climate scenarios refer to future periods, the Group has analyzed the potential impact on the consolidated financial statements as of December 31, 2024, and has not identified any impact. Therefore, it considers that no additional disclosures in the consolidated financial statements are necessary, and no reconciliation is required between the climate scenarios used in this section and the corresponding assumptions.

#### **[E1-1] - Transition plan for climate change mitigation**

At this stage, the Group does not yet have a Transition Plan in place, but is considering the establishment of an appropriate plan in the medium term (up to 2030).

#### **[E1-2] - Policies related to climate change mitigation and adaptation**

##### **MedLife Sustainability Policy**

The Group's **sustainability policy** applies to all its internal activities, including its own operations, but also to the entire value chain in order to reduce environmental impacts and adapt to climate change. It has been developed under the guidance of MedLife SA's Sustainability Coordinating Team



and has been approved by the company's CEO. Within the Group, the Sustainability Coordinating Team will support line management in the implementation and monitoring of this sustainability policy. This policy has been developed in accordance with the sustainability standards in force at the time of writing, including the requirements of environmental permits, Directive 2008/98/EC and EU action plans such as the Circular Economy Action Plan (CEAP) and the Zero Pollution Action Plan. The policy is applicable within the framework of the relevant legislation and regulations in force for the companies included within its scope.

In establishing its Sustainability Policy, MedLife has considered the interests of its stakeholders, taking into account economic responsibilities as well as social and environmental impacts. Patients, as the main beneficiaries, have high expectations regarding the safety and accessibility of healthcare services. Local communities also have an interest in the development of an efficient health network and nature plays a key role in sustaining ecosystem balances essential for human health. These interests have been identified through regular consultation and feedback processes, including satisfaction surveys and dialogues with local communities, patients, clients and providers. The double materiality process helped prioritize impacts, risks and opportunities, aligning policy with stakeholder needs.

This policy will in the future be communicated to all employees, non-employee workers, our patients and customers and all external stakeholders, including suppliers, through specific communication measures (e.g. seminars, events, etc.) to ensure consistency and buy-in during the implementation process. The policy is currently publicly available on the MedLife website ([www.medlife.ro](http://www.medlife.ro))

The policy addresses both emission reduction, climate change adaptation and energy efficiency issues, reflecting the Group's commitments to the European Green Deal and international climate strategies.

The policy refers to a number of impacts and risks relevant to the Group. These include the potential impacts of climate risks on the Group's own operations (M1), GHG emissions from own and value chain activities (M2 and M3), and non-renewable energy consumption in internal and external activities (M4 and M5). The Group also identifies a number of specific risks and opportunities related to climate change. The risks identified include RO1, which refers to the likelihood of additional greenhouse gas emissions regulations and climate transition by 2050, and RO2, which addresses the physical risks from climate change, including acute and chronic risks that may affect the Group's infrastructure and operations, disrupting continuity of services and increasing operational costs. In parallel, opportunities that may result from climate change are also addressed, such as RO4, which emphasizes the increased demand for healthcare services, including treatment for heat-related illnesses, pollution and other conditions, as a result of intensifying extreme weather events.

The policy outlines actions planned to reduce climate change impacts, including measures to quantify greenhouse gas (GHG) emissions, improve energy efficiency and raise awareness among customers, patients and employees.

In terms of adaptation to climate change, the Group recognizes the physical risks of extreme climatic events such as droughts, fires and floods, which can affect infrastructure and business continuity. MedLife is working to develop an adaptation plan, which includes assessing climate risks and implementing adaptation solutions, such as diversifying water sources and installing recirculation systems. The Group is also placing particular emphasis on working with stakeholders, including suppliers and customers, to reduce emissions and promote sustainability throughout the value chain.

Currently, the Group does not have a formalized mechanism for monitoring the implementation of the Sustainability Policy. However, MedLife aims to develop clear processes and mechanisms in the future for its evaluation and monitoring.

### **[E1-3] Actions and resources in relation to climate change policies**

Starting in 2024, the Group has calculated its carbon footprint and started an extensive process of analyzing the factors influencing this environmental impact. Although MedLife did not have a

dedicated plan of formal actions aimed at reducing its carbon footprint and building resilience in the face of climate change, there were some initiatives in place since previous years that directly or indirectly aimed at these goals. However, the lack of a carbon footprint analysis has not allowed the Group to formally establish a detailed action plan for reducing GHG emissions.

At the end of 2024, the Group outlined the first set of actions aimed at managing the IRO on climate change.

*Table on climate change actions ESRS E1*

# IRO	Actions	Target as time	Aim of the action	Status	Budget	Efficiency
M1	Modernization of buildings to increase resistance to extreme temperatures and storms and to implement efficient technologies (heat pumps, efficient ventilation systems)	Continuous	All targeted business lines	Planned	To be identified	TBD
RO2	Analyzing risks and developing adaptation plans where locations are at high risk of exposure over time horizons	Continuous	All targeted business lines	Ongoing	Resources allocated	TBD
RO4	Developing mobile clinics, adapted to climate crises (e.g. heat waves, pandemics caused by biological vectors) and integrating prevention programs for climate change-related diseases.	Continuous	All targeted business lines	Ongoing	Resources allocated	TBD
M2	Renovating buildings to improve insulation and using energy-saving equipment	Continuous	All targeted business lines	Planned	To be identified	TBD
M3	Selection of suppliers with strict environmental policies and preference for those using renewable energy sources	Continuous	All targeted business lines	Planned	To be identified	TBD
RO1	Continuous monitoring and analysis of the impact of regulations on activities and assets	Continuous	All targeted business lines	Ongoing	Resources allocated	Impact studies
M4	Group explores options to buy renewable energy sources	Continuous	All targeted business lines	Ongoing	Resources allocated	GHG reporting
	Using energy suppliers with a lower energy label	Continuous	All targeted business lines	Ongoing	Resources allocated	
M5	Selection of suppliers with strict environmental policies and preference for those using renewable energy sources	Continuous	All targeted business lines	Planned	To be identified	TBD

*\*Resources allocated - no dedicated financial resources have been allocated, as the measures implemented are part of the Group's ongoing operations and are integrated into existing organizational and compliance processes.*

In this context, the Group will strive to reduce its carbon footprint by making energy consumption more efficient, optimizing internal processes and choosing energy suppliers that can provide a higher percentage of renewable energy. The Group is also exploring options to use renewable energy sources, thus contributing to the reduction of GHG emissions in line with EU and Romanian sustainability objectives.

To address this impact, the Group will work closely with suppliers to identify solutions to reduce emissions throughout the value chain, including selecting suppliers with strict environmental policies and preference for those using renewable energy sources. It will also encourage greener transportation practices, such as the use of low-emission vehicles.

The Group is already implementing energy efficiency measures, including the renovation of buildings to improve insulation and the use of energy efficient equipment. It will also consider a range of measures aimed at more efficient resource management by reducing energy consumption through the use of LED lighting, thermal insulation and energy efficient equipment, optimizing the supply chain, reducing dependence on suppliers affected by climate risks.

Since last years, MedLife has implemented the "Mobile Caravan" program as a pandemic response to the need for access to healthcare services for people in disadvantaged areas. This program can be replicated and expanded for risks involving adaptation to climate change.

#### **[E1-4] Targets related to climate change mitigation and adaptation**

At present, the Group has not set targets related to climate change mitigation and adaptation, but in the coming period, in parallel with the finalization of the transition plan, it will set such targets.

Although there is not yet a structured process in place to monitor performance in this area, the Group is tracking its sustainability impact by measuring its carbon footprint and publishing a sustainability report. The Sustainability Policy has been set in 2024 and specific actions to implement it are to be developed in the coming period.

### [E1-5] Energy consumption and mix

The following table presents the energy consumption and energy mix for all activities of the Group, including those related to high climate risk sectors, as outlined in *Annex 5 – Economic activities considered*.

#### *Energy consumption and energy mix table*

Energy consumption and energy mix (Mwh)	Consolidated 2024
(1 ) Consumption of coal fuel and coal products	-
(2) Fuel consumption of crude oil and petroleum products	10,329.53
(3) Natural gas fuel consumption	18,917.69
(4) Other fossil fuel consumption	-
(5) Consumption of electricity, heat, steam and cooling energy purchased or obtained from fossil sources	8,942.56
<b>(6) Total fossil energy consumption (sum of rows 1-5)</b>	<b>38,189.78</b>
<i>Share of fossil fuels in total energy consumption</i>	72.65%
<b>(7) Consumption from nuclear sources</b>	<b>4,560.34</b>
<i>Share of nuclear in total energy consumption (%)</i>	8.67%
(8) Consumption of fuel from renewable energy sources, including biomass	-
(9) Consumption of electricity, heat, steam and cooling purchased or obtained from renewable energy sources	9,819.3
(10) Consumption of energy from renewable sources other than fuels from own production	-
<b>(11) Total renewable energy consumption (sum of rows 8-10)</b>	<b>9,819.3</b>
<i>Share of renewables in total energy consumption (%)</i>	18.68%
<b>Total energy consumption (sum of rows 6, 7 and 11)</b>	<b>52,569.21</b>

#### *Methodological principles used in calculating the energy mix*

- **Using primary data on fuel and energy consumption.** For the calculation of the carbon footprint and the realization of this section, primary data on fuel, electricity and heat consumption were used. These were collected directly from relevant sources, including invoices, but there were also estimates. As data reliability is critical to the accuracy of the results, an assessment of the uncertainty and methodology of data collection was undertaken. The percentage of directly measured data was compared with estimates to identify possible sources of variability. Further details on these issues can be found in section E1-6 Carbon footprint methodology.
- **Conversion of consumption units into energy (MWh).** For the volumetric conversion of fuels into energy units, the Net Calorific Value (NCV) was used, according to the reference values defined by Defra UK. This method allows a standardized conversion, ensuring comparability of results. The choice of NCV over Gross Calorific Value (GCV) reflects a more accurate approach to the actual usable energy from fuels, excluding inherent heat losses and respecting the ESRS principles. For the conversion of natural gas consumption units, the average gross calorific value for Romania was used.
- **Classification of LPG as predominantly of natural gas origin.** Although Liquefied Petroleum Gas (LPG) can be obtained from both crude oil refining and natural gas processing, globally, about 60% of LPG production comes from natural gas processing, the remaining 40% being a by-product of oil refining<sup>7</sup>. In Romania, there are no specific data indicating the exact proportion of LPG from each source. However, given the structure of the national energy market and the domestic production of natural gas, it was considered appropriate to classify LPG as a natural gas fuel. This classification allows for a more realistic allocation of

<sup>7</sup> Where does LPG come from? Retrieved February 26, 2025, from <https://www.worldliquidgas.org/about-liquid-gas/what-is-liquid-gas/where-does-lpg-come-from/>

emission factors and a more robust estimation of the carbon impact associated with LPG consumption.

- **Definition of green energy.** In the analysis, green energy was defined as the share of renewable energy in the national electricity mix. This includes sources such as hydro, wind, solar and biomass. The determination of the share of renewable energy was based on official reports on the national energy structure, which are regularly updated by the competent authorities.
- **Using the national mix emission factor.** The national mix emission factor was used to calculate the weights associated with energy consumption. This choice introduces a degree of uncertainty, as the actual distribution of energy sources may vary by supplier, region and time of consumption. At the time of the analysis, not all contractual situations were available, and the frequent changes of supplier, together with the diversity of energy purchase schemes, complicated the process of accurately allocating the energy sources used by each location. The analysis adopted a top-down approach, taking into account the complexity of tracking individual energy sources for each of the more than 400 sites analyzed. A bottom-up methodology, in which each location would be analyzed separately to determine the exact energy source used, would have exceeded the threshold of a reasonable effort relative to the resources available. Estimating the uncertainty of this process is difficult, as percentage variations in the share of renewables in supplier labels are not the only influencing factor. The distribution of energy consumption plays a crucial role, as the actual impact depends on the proportion of each consumption in the total mix at Group level. Thus, the ultimate uncertainty is not only about the differences between suppliers, but also about the relative weights of the consumption of each analyzed entity.

Regarding the requirements related to activities in sectors with high climate impact, the situation is presented in the table below.

*Table on energy intensity in sectors with high climate impact*

**Energy intensity of sectors with high climate impact**

Total energy consumption from activities in sectors with high climate impact	<i>Mwh</i>	8,767.16
Net income from activities in sectors with high climate impact	<i>kRON</i>	410,677.26
Net income from activities other than high climate impact sectors	<i>KRON</i>	2,304,778.14
Total net income from contracts with customers, see consolidated financial statements	<i>KRON</i>	2,715,574.7
Energy intensity of activities in sectors with high climate impact (total energy consumption per net income)	<i>percent</i>	2.1%

**[E1-6] Gross Scopes 1, 2, 3 and Total GHG emissions**

**Carbon Footprint Analysis**

MedLife has applied the operational control method in calculating the carbon footprint. Thus, the analysis includes all consolidated subsidiaries covering all business lines, ensuring a complete representation of the environmental impact. Emissions from all three categories have been included in the carbon footprint analysis according to international standards.

- Scope 1 covers direct emissions from the Group's activities, including fuels used by the vehicles operated or generating them, natural gas consumption for the company's facilities and fugitive refrigerant emissions from cooling equipment.
- Scope 2 refers to indirect emissions from purchased energy, including both electricity and heat, with electricity accounting for the majority.
- Scope 3 covers indirect emissions associated with the company's value chain, including categories such as purchased goods and services, purchased capital goods, upstream transportation and distribution, employee commuting, waste generated in operations,

business travel, leased goods both upstream and downstream, end-of-life treatment of products, and fuel and energy activities. For some categories, a breakdown has been made between upstream activities (from suppliers to the company) and downstream activities (from the company to customers).

*Table on GHG emissions in tCO<sub>2</sub>e*

	MedLife
<b>Scope 1 GHG emissions</b>	
<b>Total Target 1 GHG emissions</b>	<b>6,189.7</b>
% GHG Target 1 of ETS schemes	-
<b>Scope 2 GHG Emissions</b>	
<b>Total GHG emissions (location-based) Scope 2</b>	<b>4,094.8</b>
<b>Total GHG emissions (market-based) Scope 2</b>	<b>3,486.5</b>
<b>Scope 3 GHG emissions</b>	
<b>Total gross indirect GHG emissions (Scope 3)</b>	<b>178,220.7</b>
- Goods and services purchased	111,973.0
- Capital goods	41,843.9
- Fuel and energy activities	2,423.9
- Upstream transportation and distribution	71.0
- Waste generated in operations	2,327.4
- Business travelers	122.2
- Employee commute	4,111.0
- Upstream leased assets	184.0
- Downstream transportation	15,067.0
- Processing of products sold	-
- Use of products sold	-
- End-of-life treatment of products sold	88.2
- Downstream leased assets	9.0
- Francize	-
- Investments	-
<b>Total GHG emissions (location-based)</b>	<b>188,505.2</b>
<b>Total GHG emissions (market-based)</b>	<b>187,896.8</b>

The Group has no other investments such as joint ventures, unconsolidated subsidiaries etc with or without operational control for which it would be required to disclose the carbon footprint calculation. Disaggregation of data per source of emission is presented in the table below:

*Table on GHG emissions disaggregation in tCO<sub>2</sub>e*

	MedLife 2024
<b>Total direct GHG emissions (Scope 1)</b>	<b>6.189,7</b>
Stationary combustion	3.667,7
Mobile combustion	2.472,5
Process emissions	-
Fugitive emissions	49,5
<b>Total GHG emissions (location-based) Scope 2</b>	<b>4.094,8</b>
<b>Total GHG emissions (market-based) Scope 2</b>	<b>3.486,5</b>
<b>Total emisii GES indirecte brute (Scope 3)</b>	<b>178.220,7</b>
<b>Total GHG emissions (location-based)</b>	<b>188,505.2</b>
<b>Total GHG emissions (market-based)</b>	<b>187,896.8</b>

Results are presented in tons of CO<sub>2</sub> equivalent (tCO<sub>2</sub>e), this unit of measure reflecting emissions of carbon dioxide (the largest share), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), sulphur hexafluoride (SF<sub>6</sub>), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and nitrogen trifluoride (NF<sub>3</sub>), as per the calculation requirements set out in the GHG Protocol standard. There are no individually expressed results showing the contribution of each greenhouse gas, i.e. CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub> and NF<sub>3</sub>. This approach is due to the specificity of MedLife's business, which does not include any industrial or production processes that would generate significant emissions of greenhouse gases other than CO<sub>2</sub> from fossil fuels. Thus, aggregate reporting in CO<sub>2</sub> equivalent is considered sufficient to reflect the company's impact.

#### **Detailed presentation of results on carbon footprint calculation**

The baseline year for reporting (2024) is considered as the **base year**, which means that future carbon footprints will be compared against this baseline. Therefore, any changes in the Group's structure do not affect the comparability of greenhouse gas emissions reported for previous years, but will only be relevant for future analysis.

The analysis of greenhouse gas (GHG) emissions has been conducted in accordance with the principles and requirements set out in the GHG Protocol Corporate Standard, including those relating to market-based reporting limits and disclosure of emissions for Scope 2.

Within Scope 1 two emission categories have been determined:

- emissions generated by the company's equipment, i.e. natural gas consumption resulting in 3.667,7 tCO<sub>2</sub>e);
- emissions related to the fuel consumption of vehicles operated by the company, resulting in 2.472,47 tCO<sub>2</sub>e;
- fugitive refrigerant emissions from cooling equipment, resulting in 49.5 tCO<sub>2</sub>e.

In the case of endowments, natural gas consumption accounts for 59% of total emissions in this category.

For Scope 1, CO<sub>2</sub> emissions from the combustion of natural gas for heating were calculated based on invoiced consumption and standard emission factors for natural gas as per *UK Government GHG Conversion Factors for Company Reporting 2024*.

Under Scope 2, according to the calculation standard, only one emission category is applicable, namely purchased energy. The result of 3,486.5 tCO<sub>2</sub>e for the Group includes electricity and thermal energy. Considering the small share of thermal energy purchased from local district heating systems (75 tCO<sub>2</sub>e), electricity is the most important source of Scope 2 emissions. Emissions from purchased electricity have been calculated by applying both national and supplier-specific emission factors.

MedLife does not use contractual instruments that cover Scope 2 greenhouse gas (GHG) emissions. The company has not implemented a system to purchase electricity accompanied by green power certificates, power purchase agreements (PPAs), or certificates of origin (GoOs) to cover its Scope 2 emissions. Thus, no proportions of emissions covered by such contractual instruments are reported, and the energy used does not come from certified renewable sources.

For Scope 2 (indirect emissions from purchased energy use), emissions from purchased electricity have been calculated based on electricity consumption, using information from suppliers' invoices, emission factors set for the national grid<sup>8</sup> or adjusted according to the available energy mix<sup>9</sup>.

There are no biogenic CO<sub>2</sub> emissions from combustion or biodegradation of biomass included in the GHG emissions from this purpose.

**Emissions Scope 3.** To collect greenhouse gas emissions data, the organization used a variety of sources, including energy and fuel invoices (Fuel and Energy Activities) as well as internal records

<sup>8</sup> Location-based

<sup>9</sup> Market-based



of expenditures for goods and services. In calculating GHG Scope 3, the Group did not use primary data obtained from suppliers or other value chain partners.

For the categories **Purchased Goods and Services, Capital Goods, Business Travel, Upstream Transportation and Distribution**, the Group used the SPEND based method to estimate the carbon footprint. *The Spend-based* method was applied in combination with the EXIOBASE (2022) database. This method involves estimating emissions based on the expenditures made by the organization for goods and services, business travel and upstream transport, and investments for capital goods. The relevant emission factors in EXIOBASE were adjusted for inflation and local currency (RON), and for data quality, uncertainties were assessed according to the GHG Protocol guidance on uncertainty in GHG inventories.

With respect to the carbon footprint generated by **upstream fuel and energy-related activities**, the calculations are based on the volumes of energy and fuel used in the estimation of Scope 1 and Scope 2 emissions. These were estimated using data on fuel or energy consumption from invoices, as well as the types of fuels used (diesel, petrol, LPG), by applying the appropriate emission factors for each fuel type, in accordance with the UK Government GHG Conversion Factors for Company Reporting 2024.

For the calculation of the carbon footprint of **waste generated from operations**, the Group generally used data provided by suppliers, as also presented in E5-5 Resource Outputs. The emission factors applied in estimating the impact of various waste types were sourced from the DEFRA UK emissions database.

In terms of **Employee, Physician and Downstream Transportation** (patient commute), this category depends on their transportation preferences and the locations served. The data was collected for all MedLife entities, locations with workstations, number of employees/physicians and number of days worked, number of patient visits at the location level. Based on this information, appropriate emission factors were applied to estimate transportation impacts. The figures are presented centralized for all MedLife locations. In determining the types of transport used and the distances traveled by employees, doctors or patients, information from various Sustainable Urban Mobility Plans from several cities in Romania, such as Bucharest, Targoviste, Braila, Deva, Oradea and others, was used. In cases where such city plans could not be identified, data from the respective or neighboring counties were used.

In the case of **upstream leased properties**, which include premises used for medical and administrative activities, emissions were estimated on the basis of the leased areas and the energy consumption of refrigeration equipment. These estimates also included the calculation of fugitive refrigerant emissions, taking into account factors such as refrigeration equipment capacity, refrigerant leakage, and conversion of energy into pounds of refrigerant.

Regarding the **end-of-life treatment of sold products** (business line pharmacy), the organization included the packaging of medicines placed on the Romanian market. Data on the quantities of products purchased and their packaging were centralized in order to estimate the emissions generated by their end-of-life management. The waste treatment estimates were based on data published by EUROSTAT, which provides detailed information on recycling rates for different types of packaging such as plastic, glass, cardboard and aluminum. In addition, it was assumed that waste that is not recycled is managed by final landfilling, which is the predominant waste treatment method in Romania according to the available data. The emission factors applied in the estimates for waste types and leases were taken from the DEFRA UK database.

In addition, for **downstream leased assets**, emissions were determined based on the office space leased by the organization and third parties, as well as their energy consumption. The emission factors applied in the estimates for downstream leases were taken from the DEFRA UK database.

All relevant greenhouse gases, as required by the GHG Protocol, including CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub> and NF<sub>3</sub>, have been included in the emissions assessment. Although there is not a direct breakdown of emissions by each GHG type in the final report, the emission factors used from the

DEFRA UK database focus primarily on CO<sub>2</sub> equivalent (CO<sub>2</sub>e). Thus, the contribution of the other gases is reflected in the total emissions calculated as tCO<sub>2</sub>e, allowing a comprehensive assessment of the impact of the organization's activity on climate change.

Data quality is an essential element in the process of accounting and reporting GHG emissions. As part of this process, uncertainty assessments have been carried out using the IPCC guidelines and associated GHG Protocol tools. These assessments allowed the quantitative results to be organized on an ordinal scale, reflecting quantitative confidence intervals, providing an estimate of the uncertainty associated with each value. Thus, the estimated uncertainties for the collected data were taken into account to improve the reliability and transparency of the final report. The following Scope 3 emissions categories have been excluded from the Group-level analysis: 3.10 Processing of sold products, 3.11 Use of sold products, 3.14 Franchises, and 3.15 Investments, as they are not applicable to the Group's business activities.

*Table on GHG emission intensity in tCO<sub>2</sub>e*

<b>GHG intensity</b>		
Total GHG emissions (location-based)	tCO <sub>2</sub> e	188,505.2
Total GHG emissions (market-based)	tCO <sub>2</sub> e	187,896.8
Total net income from contracts with customers, see consolidated financial statements	KRON	2,715,574.7
GHG emissions intensity by location (total GHG emissions per net income)	%	6.9%
Market-based GHG emission intensity (total GHG emissions per net income)	%	6.9%

## IV. ESRS E2 - POLLUTION

### [E2.IRO-1] - Description of the processes to identify and assess material pollution-related impacts, risks and opportunities

In the process of identifying and assessing the significant pollution-related impacts, risks and opportunities, Medlife started from a list of potential IROs, in particular that derived from ESRS sub-sub-topics 1. The Group conducted a detailed analysis of the nature of its operations, geographies and active workplaces in 2024 to identify pollution-related impacts, risks and opportunities across its own activities and value chain. In this process, sites for which MedLife holds an integrated environmental permit were identified and assessed, identifying potential sources of pollution, activities where hazardous substances are used and how the Group's activities generate microplastics.

In terms of consultation, the Group has carried out an internal assessment process, involving experts from different departments to understand the extent of the environmental impacts, without direct consultation with external affected parties.

Also, to assess the impact of microplastics generation, a detailed analysis of the lines of business that use plastic consumables was conducted. Based on existing scientific studies, the amount of microplastics generated was quantified in order to conclude on the materiality of this issue. Also in 2024, MedLife conducted a comprehensive analysis of the substances used in its operations, in accordance with the CLP Regulation (Classification, Labeling and Packaging of Chemicals) and the CSRD Directive (Corporate Sustainability Reporting Directive), to assess the risks and impacts on health and the environment. The aim of this review was to identify substances of concern and their materiality in the potential impacts generated. It is important to note that the Group has not identified and does not use Substances of Very High Concern (SVHC).

Wastewater monitoring bulletins were analyzed to determine the type of pollutants emitted and possible exceedances of permissible limits. The methodologies used in this process allow Group to identify the impacts and risks associated with water pollution, the use of hazardous substances and the generation of microplastics, helping to develop strategies to reduce environmental impacts and increase the sustainability of its operations.

The following table lists the pollution-related impacts, risks and opportunities that MedLife has identified and assessed as significant in its DMA (DMA), including the categories of affected stakeholders and the business line impacted. This disclosure should be read in conjunction with ESRS 2, in particular IRO-1 and SBM-3, in accordance with the CSRD. Abbreviations (if applicable) are in Appendix 1.

*Table on pollution impacts, risks and opportunities ESRS E2*

#	Short description	Stakeholders						Upstream	Business lines						Downstream
		Employees & Workers	Customers	Patients	Suppliers	Community	Silent stakeholder		Corporate	Clinics	Laboratories	Hospital	Pharmacies	Other	
M10	Generation of microplastics through wear and tear of plastic medical devices, equipment and supplies.	✓		✓			✓		✓	✓	✓		✓		
RO9	Increasing public and regulatory concerns about microplastics.								✓	✓	✓		✓		
M8	Accidental water pollution by chemicals and pathogens					✓	✓					✓			
M9	Potential impact through use and storage of substances of concern					✓	✓				✓	✓			

These negative impacts generate the following effects:

- *It can lead to pollution and health risks to employees and patients through microplastics generated from the use and wear and tear of medical devices, equipment and supplies.*
- *Accidental chemical pollution of water through the use of disinfectants and other biocides in cleaning and disinfection processes and pathogenic microbes.*

- *Potential negative impacts on the environment and/or humans through improper use and storage of hazardous substances used in the Group's activities.*

As for the RO9 risk, this risk is related to increasing public and regulatory concerns about microplastics. The Group may face over time, in a medium time horizon, the risk of increased demand for alternatives to plastics in medical consumables, although these are not yet strictly regulated. If public interest and regulatory pressure continue to grow, MedLife may have to invest in medical consumables made of more environmentally friendly, plastic alternatives. This would mean additional costs for procurement, testing and possible certification of new materials. In addition, a delayed response to patient concerns about microplastics could damage the Group's image as the public becomes increasingly aware of the environmental and health impacts of products used in healthcare

## **[E2-1] - Policies related to pollution**

### **MedLife Sustainability Policy**

**Group's sustainability policy** manages environmental impacts and risks, including those related to water pollution (M8), microplastics (M10, RO9) and substances of concern (M9). Through this policy, the Group has set several key objectives for integrating sustainability into its development strategy, including adopting a responsible approach that integrates sustainable solutions to minimize the environmental impact of its operations.

To ensure effective implementation in line with both internal and external developments, Group's policy will be reviewed annually or whenever necessary. The Group's sustainability policy applies to all its internal activities, including its own operations, with the aim of reducing environmental impact, in particular in relation to the generation of microplastics, water pollution, including as a result of the use of substances of concern.

With respect to microplastics, the policy contains targets to increase the rigor of the analysis process and reduce the amount of microplastics. MedLife plans to implement innovative solutions to mitigate microplastic pollution, including the use of alternative and biodegradable medical materials and plastics recycling. In addition, it will promote employee education and work with suppliers to minimize the use of products that contribute to the generation of microplastics. Material selection criteria will also be revised to include stricter standards on the use of materials that generate microplastics, thereby reinforcing MedLife's commitment to environmental protection and public health.

With regard to the use of substances of concern, the policy outlines the process for identifying the main substances of concern in use and replacing them in the future, where possible, with safer alternatives, which is a key objective of the policy. MedLife SA has implemented procedures that regulate the methodologies applied in the laboratories to ensure the safety and biosafety of staff, patients, the environment as well as equipment under normal working conditions, but also in case of incidents or emergency situations. Further, MedLife aims to identify and monitor the use of these hazardous substances and to consider, as far as possible, safer alternatives that pose lower risks to health and the environment. The policy does not specifically address substitution or minimizing the use of substances of concern. Although it includes measures to prevent and manage accidental pollution, they focus on the identification of hotspots, infrastructure inspection, incident response and collaboration with authorities and specialized units. In the absence of clear commitments to reduce the use of substances of concern or to implement sustainable alternatives, the policy's contribution to achieving zero pollution remains limited to incident management.

The Group's Sustainability Policy makes reference to the Accidental Pollution Prevention and Control Policy, reaffirming the commitment to the effective management of the risks associated with contamination of water streams. The information required by MDR-P 65 a) regarding the monitoring mechanism c), d), e) and f) is reported under section E1-2 Policies related to climate change mitigation in ESRS E1.

### **The Accidental Pollution Prevention and Control Plan**

**The Accidental Pollution Prevention and Control Plan (Plan)** is assimilated at the policy level for managing pollution-related impacts for hospitals and manages the identified impacts of accidental water pollution by chemicals and pathogens (M8). The preparation of this plan is mandatory for any user of water resources carrying out potentially polluting activities, as required by Order 278/1997. In the case of hospitals (subject of this impact - M8), which use the urban sewerage network, compliance with the quality parameters of the discharged wastewater is regulated and monitored by the water and sewerage service provider.

The Wastewater Collection Agreements, issued on the basis of technical documentation, also include an Accidental Pollution Prevention and Control Plan, which details the potential sources of pollution, the actions and means of intervention, the related responsibilities and the institutions to be notified in case of accidental pollution. These measures are directly related to the identified negative impact on water quality and are designed to prevent contamination of water resources and ensure compliance with environmental protection standards.

The Accidental Pollution Prevention and Control Plan focuses on key measures to effectively manage the risks associated with contamination of water resources. This includes objectives such as identifying potential sources of accidental pollution, analyzing where spills or uncontrolled releases may occur. It also sets out the types of response actions, defining specific response methods for each situation. The policy also sets out the means of response, i.e. the equipment and materials needed to limit the effects of pollution. In addition, it designates who is responsible for each type of action, ensuring clear coordination of interventions. Last but not least, it specifies the institutions that must be notified in the event of accidental pollution in order to ensure a rapid response in accordance with the regulations in force.

This applies to all points of activity that fall into the category of objectives with environmental impact - for which the Environmental Authorization has been issued, i.e. MedLife hospitals. The highest authorized organizational level of the company responsible for the implementation of the policy is the CEO. The plan can be made available to potentially affected stakeholders and interested parties who are to contribute to its implementation through consultation at MedLife's headquarters.

In the case of Med Life SA, the Accidental Pollution Prevention and Control Plan, prepared by Apa Nova Bucuresti SA, complies with the provisions of HGR no. 188/2002-NTPA 002 and HGR no. 351/2005. Stakeholders involved in the consultation process for compiling the plan were Apa Nova Bucuresti SA and the following environmental authorizations:

- Environmental Authorization 333/2023 - Bucharest Branch, sector 1, Str. Zagazului, nr.7
- Environmental Authorization 221/2022- Str. Liviu Rebreanu nr. 8, sector 3, Bucuresti
- Environmental Authorization 119/2022- Calea Grivitei nr. 365, sector 1, Bucharest
- Environmental Authorization 450/2023 - Bd. Ferdinand, nr. 98-100, sector 2, Bucuresti<sup>10</sup>

The plan effectively addresses the mitigation of negative impacts related to water pollution through a structured approach that includes risk identification, prevention and emergency response. A key aspect is the identification of critical points in the facility where accidental pollution is most likely to occur, thereby ensuring the implementation of specific preventive measures. These measures include regular inspections of parking decks, PFP systems and hazardous substances storage areas, as well as maintenance of the internal sewage network to prevent leakage and contamination. The plan also establishes clear response protocols in case of accidental pollution, involving immediate notification of facility management, mobilization of response teams. To ensure an effective response, workers in critical areas and response teams are trained in pollution prevention and management, and designated personnel have clear responsibilities for incident monitoring and prevention. The plan also includes collaboration with external specialized units, such as Apa Nova București S.A., the Bucharest National Environmental Guard, SGA Ilfov - Bucharest and specialized pumping units, thus ensuring quick and efficient support when needed. In addition, continuous monitoring and

<sup>10</sup> The scenario presented is for MedLife S.A. At group level, each entity determines this type of plan and the frequency of monitoring in view of agreements with local water companies, where it is foreseen by the Environmental Authorization.

communication with the authorities play an essential role, ensuring regular reporting on the measures implemented and their effectiveness in controlling pollution.

### **Biosafety procedure**

**The biosafety procedure** is a policy that regulates the methodology applied in Medlife Medical Laboratories (ML) to ensure the safety and biosafety of the ML staff, the patients who address the ML, the environment and the equipment. This procedure is applied in Medlife Medical Laboratories belonging to Medlife SA, Policlinica de Diagnostic Rapid SA, Policlinica de Diagnostic Rapid Medis, Genesys Medical Clinic, Biotest Med SRL, Solomed Clinic SA, Medici's SA, Clinica Polisano SRL, by the laboratory management and the personnel responsible for reporting results. SR EN ISO 15189:2023 Medical laboratories. Particular requirements for quality and competence and SR ISO 15190:2005 - Medical laboratories. Requirements for safety, ISO 14971:2019, Medical devices - Application of risk management to medical devices, ISO 14155:2020, Clinical investigation of medical devices for human subjects - Good clinical practice; 3.9 SR BS 31100:2013, Risk management. Code of practice and guidance for the implementation of SR ISO 31000. It is approved by the Medlife Medical Director and is disseminated internally through specific training to laboratory staff. This procedure addresses measures, how to react to incidents and emergency situations caused by substances of concern (SOC) within Group.

Also, substances of concern, such as formaldehyde and methanol - the only substances of concern (SOCs) used by the company - are managed according to the requirements of Safety Data Sheets (SDS). Safety Data Sheets are mandatory documents for hazardous chemicals under European legislation and contain detailed information about the physicochemical, toxicological and ecotoxicological properties of the substance. They include instructions on safe handling, first-aid measures, fire prevention, reaction in case of spillage or contamination, as well as measures necessary to protect human health and the environment.

The policies implemented by Group<sup>11</sup> contribute to the European Union's Action Plan on Zero Pollution of Air, Water and Soil through proactive measures to monitor and reduce environmental impacts.

### **[E2-2] - Actions and resources related to pollution**

MedLife responsibly conducts wastewater quality monitoring at all of its sites that fall into the category of objectives with environmental impact, for which Environmental Authorization has been issued. It ensures rigorous control of environmental factors in accordance with legal regulations. The test reports, which are essential for verifying the quality of the wastewater, are carried out by RENAR accredited laboratories, thus ensuring accuracy and compliance with international standards.

#### *Table on pollution actions ESRS E2*

# IRO	Short description	Actions	Target as time	Aim of the action	Status	Budget	Efficiency
M8	Accidental water pollution by chemicals and pathogens	Wastewater quality monitoring in all its locations falling under the category of objectives with environmental impact, for which the Environmental Authorization was issued	Continuous	Hospitals	Ongoing	Resources allocated	Monitoring reports

*\*Resources allocated - no dedicated financial resources have been allocated, as the measures implemented are part of the Group's ongoing operations and are integrated into existing organizational and compliance processes.*

In terms of wastewater quality monitoring, MedLife follows a number of key metrics to ensure environmental compliance. These include: pH, suspended solids, chemical oxygen consumption CCO-Cr, biochemical oxygen consumption (BOD5), organic solvent extractables, biodegradable anion-active detergents, free residual chlorine, total coliform bacteria, fecal coliform bacteria, fecal streptococci and salmonella. These metrics are monitored and verified on a monthly/bi-annual/annual basis, in accordance with the issued intake agreement and issued environmental

<sup>11</sup> Policy 1, Policy 2



permits, ensuring that all wastewater discharge processes comply with the highest quality and environmental protection standards.

The impacts analyzed are of a potential nature, and the measures adopted are aimed at prevention and risk management, not at remedying impacts already produced.

#### Table on pollution actions ESRS E2

# IRO	Short description	Actions	Target as time	Aim of the action	Status	Budget	Efficiency
M10	Generation of microplastics through wear and tear of plastic medical devices, equipment and supplies.	Identification of alternative and biodegradable medical materials.	TBD	All targeted business lines	Planned	TBD	TBD
		Work with suppliers to minimize the use of products that contribute to the generation of microplastics.	TBD	All targeted business lines	Planned	TBD	TBD
R09	Increasing public and regulatory concerns about microplastics.	See M10	TBD	All targeted business lines	Planned	TBD	TBD
M9	Potential impact through use and storage of substances of concern	Identify and monitor the use of these risky substances and explore safer alternatives that pose lower risks to health and the environment	TBD	All targeted business lines	Planned	TBD	TBD

*\*Resources allocated - no dedicated financial resources have been allocated, as the measures implemented are part of the Group's ongoing operations and are integrated into existing organizational and compliance processes.*

In the context of the pollution mitigation hierarchy, the monitoring of wastewater metrics falls under the pollution reduction layer. Although it does not directly prevent pollution, monitoring enables the identification of pollutants and ensures that wastewater emissions are controlled to meet legal and environmental standards. Measuring and monitoring metrics thus helps to reduce the impact of pollution on the environment by taking prompt action when permitted limits are exceeded.

Regarding the impacts related to microplastics and the use of substances of concern (SOCs), no concrete measures were implemented in the reporting year, as it was dedicated to preliminary analysis to identify these topics. The purpose of the analyses was to highlight these issues and to provide the necessary input for the development of management and reduction strategies in the coming period.

#### [E2-3] - Targets related to pollution

The targets set so far at the Group level are not specifically aligned to all the significant sustainability issues identified in the Double Materiality process. They also do not fully meet the requirements of the ESRS to define measurable, result-oriented and time-bound objectives. For this reason, we do not include such specific targets in our current reporting. However, we recognize the importance of setting clearly defined, measurable and ESRS-aligned objectives to monitor sustainability performance. In the coming period, we aim to develop a structured framework for setting targets so that they are relevant, measurable and integrated into our development and reporting strategies.

#### [E2-4] - Pollution of air, water and soil

The table below shows the water pollutants generated by MedLife during the reporting year, including pollutants regulated under Regulation (EC) No 166/2006 of the European Parliament and of the Council.

Table on the amount of water pollutants at headquarters and centralized level, 2024, kg.

Quality metric	UM	Maximum permitted values, concentration	Maximum permitted values, kg/year *	Consolidated (kg)
Total phosphorus	mg/dm3	5	5 000	123.88
Zinc	mg/dm3	1	100	18.55
Nickel	mg/dm3	1	20	0.81
Lead	mg/dm3	0,5	20	0.81
Copper	mg/dm3	0,2	50	0.81
Total chrome	mg/dm3	1,5	50	0.40

*\* in accordance with Regulation (EC) No 166/2006 of the European Parliament and of the Council of January 18, 2006 concerning the establishment of a European Pollutant Release and Transfer Register and amending Council Directives 91/689/EEC and 96/61/EC.*

The total amount was determined by a calculation method based on real data, in accordance with the methodological standards set by ESRS E2. This approach involves collecting and analyzing reported data on discharged water on a monthly/quarterly/annual frequency for each hospital, and then multiplying the concentration values obtained by the volume of water discharged to determine the total mass of pollutants. As part of the reporting process, report cards were received from nine hospitals in the group. However, due to differences in laboratory analysis methodologies between these entities, statistical estimation was required. Where the same variable was available for more than one entity, the arithmetic mean of the values was used. If a particular variable was present in only one analysis bulletin, it was considered representative. Thus, for nickel, lead, copper and chrome, five separate values were used, for zinc one value and for total phosphorus four values. The calculated average of these concentrations was then multiplied by the volume of water discharged by the hospitals.

The initial concentrations of the pollutants in the analysis reports were determined in the laboratory according to SR EN ISO 15586:2004 and SR EN ISO 6678:2005, and the uncertainty of the analysis performed was less than 10% for the measured concentrations. However, it should be noted that the overall uncertainty of the results comes from extrapolation of the data - a process necessitated by the variations between the analytical methods used by the group entities. Even under these conditions, the determined mass of the pollutants is well below the limits imposed by European legislation, as required by Regulation 166/2006.

Regarding the amount of microplastics generated, it is presented in the following table and the calculation methodology is detailed below the table.

*Microplastics analysis table (pcs)*

Business lines	SQM	Microplastics / sqm			Microplastics in year		
		Best scenario (lower limit)	Medium scenario (medium limit)	Worst case scenario (upper limit)	Best scenario (lower limit)	Medium scenario (medium limit)	Worst case scenario (upper limit)
<b>Total</b>	<b>220,679</b>						
Hospital	90,935	1,144.0	1,216.5	1,289.0	37,970,927,165.60	40,377,301,483.35	42,783,675,801.10
Clinics	104,688	267.0	303.0	339.0	7,043,856,324.12	7,993,589,761.08	8,943,323,198.04
Other	25,056						
<b>Total</b>					45,014,783,489,72	48,370,891,244,43	51,726,998,999,14
<b>Error</b>					<b>6,94%</b>		<b>6,49%</b>

Being an estimation study, it is important to note that there are sources of uncertainty, especially with regard to the geographical specificity of the data. Data from scientific studies are not always directly applicable in Romania, as not all hospitals worldwide use the same materials under the same conditions. Uncertainty was captured by the design of the ranges and scenarios, and the analysis shows that the extreme values differ by about 7% from the central value, suggesting a uniform distribution of the data. Other uncertainties are related to the frequency of material use and working day assumptions, which are detailed in the appendix of the study. The choice of an inferior methodology for quantifying emissions was driven by time constraints and the lack of expertise required to implement a more complex approach such as sampling. Given these limitations, a simpler methodology was opted for, which allowed an estimated result to be obtained in a shorter timeframe. Although it does not provide maximum precision, the chosen methodology was appropriate for the purpose of the study, given the existing circumstances.

In order to analyze the amount of microplastics generated within the Group, the following methodology was applied:

- Literature Review - Identify relevant academic studies that report the amount of microplastics generated, correlated with the total surface area of facilities similar to Group facilities, to ensure comparability of data, as follows:

- Al-Hussayni, R. S., Al-Ahmady, K. K., & Mhemid, R. K. S. (2023). *Assessment of Indoor Microplastic Particles Pollution in Selected Sites of Mosul City. Journal of Ecological Engineering*, 24(9), 322-332.
- Leslie, H. A., van Velzen, M. J. M., Brandsma, S. H., Vethaak, D., Garcia-Vallejo, J. J., & Lamoree, M. H. (2022). Discovery and quantification of plastic particle pollution in human blood. *Environment International*, 107199.
- Analysis and prioritization of surface typologies - Examination of the different categories of surfaces within the facilities surveyed, with a focus on their frequency of use and their potential to contribute to the generation of microplastics. Hospitals and clinics together account for the majority of the group's surfaces, giving them a significant role in the analysis of microplastic impacts. Moreover, these establishments are more likely to generate and accumulate microplastics than office spaces, dental surgeries or pharmaceutical establishments.

This trend can be explained by several factors. First, hospitals and clinics frequently use disposable equipment and materials, such as latex or nitrile gloves, plastic gowns, syringes and infusion sets, which contribute to the fragmentation and release of microplastics into the environment. Second, these facilities require rigorous cleaning and disinfection procedures, involving the use of industrial detergents and high-pressure water, which can accelerate the degradation of plastics and the dispersion of particles into air and water.

In addition, specific processes in hospitals, such as activities in operating theatres, medical laboratories or intensive care units, involve the intensive use of synthetic textiles (e.g. protective gear made of synthetic fibers), which favors the release of microplastics through friction. In contrast, office spaces, pharmaceutical units and warehouses tend to generate lower amounts of microplastics, as processes in these locations involve a more limited use of disposable plastics and synthetic textiles, and the frequency of washing and intensive cleaning is considerably lower.

Even if we were to take into account 100% of the total surface area of the group's establishments, the remaining 14% (offices, pharmaceutical establishments, etc.) would not be able to compensate for the level of microplastic generation attributed to the 86% represented by hospitals and clinics, so 14% of the surface area not taken into account does not translate into a 14% error.

- Application of proxies - Use of relevant metrics to extrapolate the analyzed data, ensuring an adequate estimation of the amount of microplastics generated in the specific context of the Group.
- Scenario development - Generate scenarios for estimating the amount of microplastics, including minimum, average and maximum scenarios to reflect the potential variability in the results.

Calculation of the amount of microplastics - Determination of the total amount of microplastics generated over the entire area analyzed, reported over a time interval of one year. Microplastic values per square meter were multiplied by the spaces, by space categories, then multiplied by 252 working days per year for clinics and 365 for hospitals. Differences between ranges were calculated. The middle interval differs by about 7% from both ends, showing that this value is indeed representative of the center of the distribution. Thus, in the best case, the Group generates 43.7 billion microplastics per year, and in the worst case, 50.2 billion microplastics per year

#### [E2-5] - Substances of concern

MedLife uses the relevant regulatory compliant methodology for the identification of substances of concern in accordance with the requirements of ESRS E2 and REGULATION (EC) No 1272/2008. Following detailed analysis based on the provided Safety Data Sheets, we have identified the following conclusions:

- MedLife does not work with substances of very high concern (SVHC).

- The mixture of formaldehyde and methanol does not fall under SHVC, but according to the hazard phrases, this mixture falls into the Substances of Concern (SOC) category. Methanol used in the EMSURE® ACS, ISO, Reag. Ph Eur also falls under SOC.
- The identification of substances has been done on the basis of CAS number, and the substances falling under SOC are those with CAS numbers 67-56-1 (Methanol), 50-00-0 (Formaldehyde) and their combinations (mixture).

The reported (mass) data were obtained by applying the density of the identified substances to the quantities purchased by the group in 2024.

*Table of substances of concern (kg).*

	Hazard class H371	Hazard class H350
	2024	2024
The total quantity of SOC that are generated or used during production or that are procured	26.1	21,808.3

The Group does not manage substances of concern that leave facilities as emissions, as products or as part of products or services.

## V. ESRS E3 - WATER AND MARINE RESOURCES

### [E3.IRO-1] - Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities

The following table lists the impacts, risks and opportunities related to Water and Marine Resources that MedLife has identified and assessed as significant in its DMA (DMA), including the categories of affected stakeholders and the business line impacted. This disclosure should be read in conjunction with ESRS 2, in particular IRO-1 and SBM-3, in accordance with the CSRD. Abbreviations (if applicable) are in Appendix 1.

*Table on impacts, risks and opportunities related to water and marine resources ESRS E3.*

#	Short description	Stakeholders						Upstream	Business lines						Downstream
		Employees & Workers	Customers	Patients	Suppliers	Community	Silent stakeholder		Corporate	Clinics	Laboratories	Hospital	Pharmacies	Other	
M12	Water consumption					✓	✓		✓	✓	✓	✓	✓	✓	

In terms of positive impacts following the DMA analysis related to the sub-topic *Water Consumption*, no positive impacts were identified at Group level. On the other hand, the DMA analysis for this sub-topic resulted in a negative impact M12, which *generates a negative impact on the environment and on people through the use of water resources in its own operational activities*.

This environmental impact generated by water consumption is a result of the business model of the Group which is mainly active in the medical sector covering a large geographical area in Romania, but also in Hungary. According to the analysis in *Annex 6 Water Risk Assessment*, it results that a large part of the areas in which the Group operates are facing both current and future water stress. Water consumption is highest particularly in hospitals, where water is used for patient care, carrying out medical procedures, sterilizing equipment and maintaining hygienic conditions. In clinics, water is used for medical activities, cleaning and sanitation, ensuring compliance with sanitary standards. In laboratories, water is essential for reagent preparation, sample dilution and cleaning of analytical equipment, and is used especially in biochemistry and microbiology tests, where high water quality is required for accurate results. In contrast, water use is lower in pharmacies, where it is needed mainly for sanitary consumption, as well as in administrative or "Other" business line premises, where water is used mainly for routine staff needs, maintenance of premises and sanitary consumption in offices.

In order to determine whether water consumption is an important environmental impact of the Group, an analysis of the geographical areas in which the Group operates was carried out. Thus, according to the analysis in *Annex 6 - Water Risk Assessment*, most of the Group's headquarters are located in water-stressed areas, resulting in a competition that will increase over time between different types of consumers in those regions, which may generate significant pressure on water resources, reducing its availability for the population, but also for ecosystems, especially in regions with intense agricultural activities or high population concentration.

The Group has assessed the impacts, risks and opportunities related to the use of water resources, both in its own operations and across the value chain by engaging with a range of stakeholders. This analysis was carried out according to ESRS standards and involved consultations with relevant stakeholders, including NGOs and suppliers, to validate and prioritize the impacts identified.

Although water consumption is essential to the Group's activities, its impact on natural resources is considered moderate, given that the main sources of water used are public water supply networks. However, the Group aims to optimize water use and reduce wastage through measures such as implementing water efficiency policies, closely monitoring usage and exploring water reuse solutions where possible. Although there is currently no formal water management process in place, MedLife

recognizes the importance of the sustainable use of this resource and will consider water optimization initiatives in the coming period.

### [E3-1] - Policies related to water and marine resources

#### **MedLife Sustainability Policy**

Group's **Sustainability policy** includes commitments related to the management of environmental impacts, including those associated with water consumption (M12). The information required by MDR-P 65 a) regarding the monitoring mechanism c), d), e) and f) is reported under section E1-2 Policies related to climate change mitigation in ESRS E1.

The policy includes measures to assess and monitor water consumption, along with targets to improve water use efficiency. Key strategic directions include reducing consumption by implementing water-intensive technologies and promoting sustainable practices among employees and visitors/patients.

The Group recognizes the importance of responsible water management and aims to explore various measures to optimize consumption and reduce the impact on water resources. Thus, the Group is considering the implementation of water consumption monitoring and reporting strategies in its facilities, which could facilitate the identification of areas of heavy use and the adoption of appropriate solutions. MedLife is also exploring the use of modern technologies to help reduce water consumption, such as equipment with optimized water use systems. In addition, regular maintenance of sanitary installations is an aspect that the company is considering to prevent possible water losses. These directions are part of a broader approach that reflects MedLife's concern for sustainability and responsible use of water resources.

In terms of water usage and sources, MedLife understands the importance of diversifying resources and seeks to explore opportunities to optimize consumption. Issues being considered include the possibility of using rainwater in certain activities that do not require strict standards of potability, as well as exploring solutions for reusing water in internal processes. The company also aims to evaluate measures that could reduce reliance on conventional water sources, thereby ensuring continuity of medical operations and minimizing environmental impact.

The policy does not address sustainability practices related to water treatment directly, but does include provisions related to water pollution prevention and reduction. MedLife considers investing in technologies that could help reduce pollutants in wastewater. MedLife implements processes to monitor the quality of effluent resulting from its activities. The company conducts regular wastewater analyses, ensuring that wastewater complies with applicable regulations and constantly exploring ways to improve. In this respect, collaboration with the authorities plays an important role in maintaining high standards and minimizing the impact on terrestrial and aquatic ecosystems.

In designing products and services, MedLife aims to explore ways to help conserve water resources. Among the solutions being considered are the adoption of equipment and technologies that could contribute to water efficiency, as well as the integration of modern water-saving solutions into the infrastructure of its medical facilities.

In terms of reducing water consumption in areas at water risk, the Sustainability Policy does not provide for exclusions of purpose, so it is covered to Group. The Policy does not target sustainability practices related to oceans and marine resource conservation.

### [E3-2] - Actions and resources related to water and marine resources

The year 2024 was dedicated to strengthening the analytical framework and identifying the most relevant measures that can be integrated in the future, taking into account the diversity of activities and the specific requirements of each unit.



Table on actions related to water and marine resources ESRS E3

IRO no	Actions	Target as time	Aim of the action	Status	Budget	Efficiency
M12	Measures to save water by investing in modern equipment that uses less water, such as washing machines and medical equipment that reduce the amount of water used.	Continuous	All targeted business lines	Ongoing	Resources allocated	Regular reporting of water consumption with monitoring of progress and identification of areas for improvement.
	Water saving measures: monitoring consumption by installing meters to measure water consumption in different sections of hospital wards, laboratories, kitchens, etc.) to identify areas of high consumption and take corrective measures.	Continuous	All targeted business lines	Ongoing	Resources allocated	
	Organize training sessions for hospital staff on the importance of saving water and how they can each contribute to reducing consumption.	Continuous	All targeted business lines	Planned	TBD	TBD
	Measures to collect, recycle and reuse water, including by promoting a system for the reuse of water from processes that do not require drinking water.	Continuous	All targeted business lines	Planned	TBD	TBD

\*Resources allocated - no dedicated financial resources have been allocated, as the measures implemented are part of the Group's ongoing operations and are integrated into existing organizational and compliance processes.

The Group recognizes the importance of monitoring water consumption and implementing specific actions to reduce it for all Group entities without exception. The initiatives are part of a complex process that requires a detailed assessment of operational needs and the most efficient technological solutions. Since 2024, the Group has initiated a series of measures:

- Monitor consumption by installing meters to measure water consumption in different sections of hospital wards, laboratories, kitchens, etc.) to identify areas of high consumption and take corrective action. Regular reporting and creation of an internal system for regular internal reporting of water consumption to monitor progress and identify areas for improvement.
- Implement simple saving measures such as replacing with sensor taps.
- Maintenance and planned maintenance of equipment to prevent leaks or breakdowns.

### [E3-3] - Targets related to water and marine resources

The targets set so far at the Group level are not specifically aligned to all the material sustainability issues identified in the Double Materiality process. They also do not fully meet the requirements of the ESRS to define measurable, result-oriented objectives within a clear time horizon. For this reason, we do not include such specific targets in our current reporting. However, we recognize the importance of setting clearly defined, measurable and ESRS-aligned objectives to monitor sustainability performance. In the coming period, we aim to develop a structured framework for setting targets so that they are relevant, measurable and integrated into our development and reporting strategies.

### [E3-4] - Water consumption

Water is an essential resource for all MedLife's activities, playing a fundamental role in the running of hospitals, clinics, laboratories and pharmacies.

Table on water consumption in 2024, consolidated (in m<sup>3</sup>)

Metric	UM	Values
Total water consumption	m3	160,062.4
Total water consumption in high-risk areas*	m3	79,915.5
Total water recycled and reused	m3	-
Total stored water	m3	-
Changes in stored water	m3	-
Water intensity ratio	%	4%
Net profit	1MEUR	3,367,931.5

\* Water availability risk, including areas of high-water stress [1]

As regards the calculation method used to centralize water consumption within the Group, out of the total:

- a volume of 57,933 cubic meters represents the consumption determined by metering during the whole year representing 36% of the total.
- a volume of 84,334 cubic meters represents the consumption determined by metering during the first 11 months and extrapolated to 2024, representing 53% of the total.
- The remaining 11% of the water volume was calculated using as proxy the average of monthly measurements.

## VI. ESRS E5 - RESOURCE USE AND CIRCULAR ECONOMY

### [E5. IRO-1] - Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities

In the process of identifying and assessing significant pollution-related impacts, risks and opportunities, Medlife started from a list of potential IROs, in particular that derived from ESRS sub-sub-topics 1, appendix A. The Group has conducted a detailed analysis of all locations of its operations to identify impacts, risks and opportunities related to resource use and waste generation in its own activities and value chain. In this process, the sites for which the Group holds an integrated environmental permit were also assessed, identifying the types of waste generated and the commitments undertaken. Subsequently, the nature of the waste generated by the activities, the related legislation and all waste reporting at Group level was analyzed. Using information obtained from the Finance and Procurement Department, the type of materials, products and equipment purchased and used were analyzed to assess the impact of the use of resources and materials, an analysis presented in section *E5-4 - Resource inputs*.

In terms of consultation, the Group has carried out an internal and external assessment process involving experts from different departments as well as suppliers to understand the extent of the environmental impacts across the value chain.

The methodologies used in this process allow Group to identify the impacts associated with the use of waste and the generation of waste, contributing to the development of strategies to reduce environmental impacts and increase the sustainability of its operations.

The following table lists the impacts, risks and opportunities related to Resource Use and the Circular Economy that MedLife has identified and assessed as significant in its DMA, including the categories of affected stakeholders and the business line impacted. This disclosure should be read in conjunction with ESRS 2, in particular IRO-1 and SBM-3, in accordance with the CSRD. Abbreviations (if applicable) are in Appendix 1.

*Table on impacts, risks and opportunities related to resource use and circular economy ESRS E5*

#	Short description	Stakeholders						Upstream	Business lines						Downstream
		Employees & Workers	Customers	Patients	Suppliers	Community	Silent stakeholder		Corporate	Clinics	Laboratories	Hospital	Pharmacies	Other	
M17	Waste management in own activities					✓	✓		✓	✓	✓	✓	✓		
M18	Waste management in upstream and downstream value chain activities				✓	✓	✓	✓						✓	
M15	Use of raw materials and materials in own activities						✓		✓	✓	✓	✓	✓		
M16	Use of raw materials and materials in upstream and downstream value chain activities				✓		✓	✓							

As regards the negative impacts (M15, M16, M17 and M18) identified following the DMA analysis related to the sub-topics *Resource inputs, including resource use and Waste*, at Group level they generate the following effects:

- *Potential negative impact on the environment and humans in the event of an incident related to the management of hazardous waste generated.*
- *Negative impact on the environment and human health generated in the value chain by the way hazardous and non-hazardous waste is stored, treated and disposed of.*
- *Contribute to the reduction/exhaustion of resources by purchasing products and materials made from virgin materials and used in its own activities.*

- *Contributes through its business relationships to the depletion/ depletion of natural resources in the value chain.*

#### **[E5-1] - Policies related to resource use and circular economy**

##### **MedLife Sustainability Policy**

Group's sustainability policy includes commitments related to the management of environmental impacts, including those associated with resource inputs and circular economy. The information required by MDR-P 65 a) regarding the monitoring mechanism, c), d), e) and f) is reported under section E1-2 Policies related to climate change mitigation in ESRS E1. The policy aims to align with the waste hierarchy, which prioritizes prevention, reuse, recycling and recovery of materials, thereby reducing environmental impacts. The Group is committed to minimizing waste generation by optimizing material flows, promoting resource efficiency and implementing sustainable solutions such as replacing non-recyclable materials and extending the life of equipment.

In this context, the policy provides for the improvement of waste management processes through correct source separation, the use of low-impact treatment technologies and strict compliance with regulations on the safe disposal of medical waste. These measures contribute not only to protecting the environment but also to protecting public health. The specific objectives of the circular economy approach within the Group are geared towards waste reduction, sustainable procurement, the use of bio-based materials, and the promotion of reuse and recycling.

Furthermore, the policy addresses the relevant impacts on the Group's own activities and value chain, addressing issues such as the use of raw materials and materials (M15, M16), as well as waste management both within the internal activities (M17) and in the value chain (M18).

Group's policy addresses the transition away from virgin resource extraction by integrating circular economy principles into its activities. The Group aims to reduce dependence on raw materials by promoting the reuse and recycling of materials. It prioritizes the use of recyclable and biodegradable materials, replacing, where possible, disposable materials with sustainable alternatives. In addition, the Group engages its suppliers to adopt sustainable practices and use renewable resources, emphasizing their selection based on sustainability criteria.

In terms of sustainable sourcing, the Group's policy includes the use of renewable resources and renewable energy sources in the production processes of its suppliers. MedLife is committed to prioritizing collaboration with suppliers that comply with environmental standards and integrate innovative sustainable production solutions. Also, to reduce the use of primary resources, the Group promotes the recycling and reuse of equipment and materials, including sterilization and redistribution of used medical equipment to other health facilities or non-governmental organizations. These measures help extend the life of equipment and materials, thereby reducing the need to purchase new resources.

#### **[E5-2] - Actions and resources related to resource use and circular economy**

At present, the Group has already started a series of actions aimed at waste management derived mainly from legal obligations in the field or assimilated to existing environmental permits. In parallel, the Group has established a series of actions related to resource utilization and circular economy, and in the coming period, after the finalization of the transition plan, will formally set the allocated budgets and time horizons.

### Resource use and circular economy actions table ESRS E5

IRO no	Actions	Target as time	Aim of the action	Status	Budget	Efficiency
M17	Partnerships with specialized companies to recycle plastics and textiles from recycling activities	Continuous	All targeted business lines	Ongoing	Resources allocated	Report the amount of waste generated and the measures taken to reduce it.
	Separate collection system with separate containers for different types of waste.	Continuous	All targeted business lines	Ongoing	Resources allocated	
	Adopt effective practices to reduce wastage of sanitary materials and medicines where safety permits.	Continuous	All targeted business lines	Planned	TBD	
M18	Involving staff and patients through information and education campaigns	Continuous	All targeted business lines	Planned	TBD	Report the amount of biological and technical material input and the measures taken to reduce it.
M15	Adopt effective practices to reduce wastage of sanitary materials and medicines where safety permits.	Continuous	All targeted business lines	Planned	TBD	
	Digitization - implementation of digital solutions to reduce paper consumption (as a biological material).	Continuous	All targeted business lines	Ongoing	Resources allocated	
	Use of biological/biodegradable materials where possible	Continuous	All targeted business lines	Planned	TBD	Report the amount of biological and technical material input and the measures taken to reduce it.
M16	Sustainable procurement by prioritizing reusable, recyclable and biodegradable products over single-use products, where safety permits.	Continuous	All targeted business lines	Planned	TBD	
	Redistribution of used (but functional) medical equipment to other health facilities or NGOs where possible.	Continuous	All targeted business lines	Planned	TBD	
	Selection of suppliers based on sustainability criteria: meeting environmental standards, using biodegradable materials or renewable energy sources for production.	Continuous	All targeted business lines	Planned	TBD	

\*Resources allocated - no dedicated financial resources have been allocated, as the measures implemented are part of the Group's ongoing operations and are integrated into existing organizational and compliance processes.

### [E5-3] - Targets related to resource use and circular economy

The targets set so far at the Group level are not specifically aligned to all the material sustainability issues identified in the Double Materiality process. They also do not fully meet the requirements of the ESRS to define measurable, result-oriented and time-bound objectives. For this reason, we do not include such specific targets in our current reporting. However, we recognize the importance of setting clearly defined, measurable and ESRS-aligned objectives to monitor sustainability performance. In the coming period, we aim to develop a structured framework for setting targets so that they are relevant, measurable and integrated into our development and reporting strategies.

### [E5-4] - Resource inflows

In terms of technical and biological materials managed, the Group does not carry out production activities and therefore does not use raw materials or packaging. The Group only uses finished products as auxiliary materials to facilitate its healthcare service activities. The only packaging managed is for purchased products.

Ancillary materials essential to support medical and administrative operations include general and laboratory consumables, reagents essential for medical tests and procedures, as well as sanitary materials, medicines and vaccines necessary for treatment and prevention. Cleaning supplies also ensure that strict hygiene standards are met. In addition, the daily work, both medical and administrative, is supported by stationery, inventory items, paper and printed forms, essential for managing documentation and administrative processes.

Paper, printing forms and latex are bio-based materials derived from natural resources such as wood and rubber tree sap, and are commonly used in medical and bureaucratic work.

With regard to rare and critical elements as defined by Regulation (EU) 2024/1252- Critical Raw Materials Act, the Group does not use any of them

Within the company's own operations, water is essential for various processes, ensuring both the optimal functioning of medical activities and compliance with strict hygiene and safety standards. The main uses include sanitation of premises and equipment, necessary to prevent contamination and maintain a sterile environment, as well as consumption in medical processes such as the preparation of solutions, the use of autoclaves for sterilization and procedures requiring high-purity water. In addition to these aspects, water consumption is also present in administrative facilities, including for the sanitary needs of employees and visitors.

### **Information on the properties, facilities and equipment used in the company's own operations and upstream supply chain**

The Group owns and uses a wide range of fixed assets that are essential to the conduct of its health and well-being activities. These include:

- Buildings and related infrastructure, including transportation, are constantly maintained to ensure compliance with safety and quality standards. The investment policy aims at continuous modernization of buildings to meet the needs of our patients and users.
- Advanced medical equipment, digitized operating theaters, diagnostic and treatment equipment used in hospitals, laboratories as well as clinics. In the area of medical imaging, the Group has state-of-the-art lines, including nuclear magnetic resonance (NMR) and computed tomography (CT) machines, which provide accurate diagnoses. Cutting-edge technology is also integrated through the Carl Zeiss Kinevo 900 visualization system, intended for complex neurosurgical interventions and in robotic surgery, through the acquisition of the da Vinci Xi and da Vinci X systems, available in MedLife hospitals, allowing complex surgical interventions to be performed with increased precision and rapid recovery for patients.
- In the sphere of dentistry services, modern dentistry units, advanced digital imaging technologies, BIOLASE dentistry lasers and electron microscopes are used, thus ensuring precise and minimally invasive treatments for patients.
- In the pharma line business, we use equipment, furniture and means of transportation for distribution.
- For fitness facilities, the gyms are equipped with professional equipment designed for medical recovery and physical health maintenance.

A more detailed description of the properties, locations, facilities and equipment used can also be found in the sections dedicated to the business lines on the Medlife.ro website.

### **Information on the technical and biological materials and products used to manufacture the Group's products and services**

There are the following definitions that need to be mentioned in order to meet the ESRS requirement E5, 5-4 art 31:

- The products used in the operations of the group companies are materials purchased by MedLife for the provision of services. While for entities that carry out production activities, this disclosure may be easy to make, for a Group operating in the medical field, the number of items that qualify under the materials category is in the tens of thousands. In this respect, it is extremely difficult to quantify their weight since the units of measurement are expressed in pieces, boxes without having information on the quantity (i.e. in the context where purchases are mainly local and there is no obligation to mention the weight in the available documents).
- Technical materials are considered as primary resources according to environmental permits, i.e. those materials that enter the production process and are retained as outputs in the production



process. This field of the environmental authorization is explicitly defined in the category "resource inputs", thus complying with the purpose of the standard. For MedLife, this category is not applicable.

- Biomaterials are defined according to the academic literature as: "Biological material or renewable energy source derived from living or recently living organisms, consisting mainly of carbon, oxygen, hydrogen and nitrogen<sup>12</sup>". Biological materials are considered to be those derived from a naturally occurring resource with the ability to re-enter the natural stream without extensive treatment<sup>13</sup>. This definition excludes materials of synthetic/industrial origin that can re-enter the economic cycle (not to be confused with recyclable plastics/metals, which can be processed in a sustainable way, but are not, in terms of their constituent substances, biodegradable). For MedLife, these materials are paper and latex and the products reported are those that contain them as main materials, e.g. gloves.

The numerical data (weight expressed in tons) is limited to that information that could be extracted and estimated at the 2024 level and is visible in the table below:

*Table on numerical information on inputs (consumption) of material resources*

#	Information revealed	Categories / Formula	Categories	Weight (t) in reporting period
1	Total weight of technical and biological products and materials used	2+3+4		28,568.97
			Consumables	
			Laboratory consumables	
			Miscellaneous	
			Cleaning materials	
2	Total weight of products used	Secondary auxiliary materials	Sanitary materials	25,463.87
			Medically	
			Inventory items	
			Reagents	
			Vaccines	
3	Total weight of technical materials used	Main raw materials according to the Environmental Authorization	Not the case	Not the case
4	Total weight of biological materials used*	Defined as materials that originate from natural sources and return to nature at the end of their life cycle without	Latex	2,853.31
			Typized (paper)	140.76
			Paper	111.03
5	Percentage of biological materials (and biofuels used for non-energy purposes)	= 4/ 1		11%
6	Absolute weight of reused or recycled secondary components, secondary intermediates and secondary materials used in the manufacture of the enterprise's products and services (including packaging)		Not the case	Not the case
10	Percentage of reused or recycled secondary components, secondary intermediate products and secondary materials	= 6/1	0%	0%

\* calculated for a share of Group companies representing X% of turnover in 2024

The reported quantities for biological materials are obtained through a series of information requests related to entries in internal inventories, sourced from the Group's accounting programs. For the biological materials received during 2024, the weight was available from online sources for this analysis. To determine the weight, the Group used online information regarding the quantity per item, which may affect the accuracy of the data. An exact measurement could result in differences compared to the

<sup>12</sup> Petruccioli, M., Raviv, M., Di Silvestro, R., & Dinelli, G. (2011). Agriculture and Agro-Industrial Wastes, Byproducts, and Wastewaters. *Comprehensive Biotechnology*, 531-545. <https://doi.org/10.1016/b978-0-08-088504-9.00389-5>

<sup>13</sup> Not to be confused with being compostable, since there are also polymers of fossil origin that are biodegradable

estimate made as of December 31, 2024. During 2025, the Group will implement additional measures to improve the accuracy of this indicator.

The reported quantities for auxiliary materials were estimated based on a series of information requests related to entries in internal inventories, sourced from the Group's accounting programs. For these materials, the weight was estimated based on online sources, which were corroborated with data available on the packaging of certain product categories.

#### [E5-5] - Resource outflows

##### Information on waste

Table on waste information in tons

Metrics	In 2024
<b>Total waste generated</b>	<b>5,965.70</b>
<b>Hazardous waste diverted from disposal</b>	<b>4.75</b>
Hazardous waste diverted from disposal due to preparation for re-use	0
Hazardous waste diverted from disposal due to recycling	4.75
Hazardous waste diverted from disposal due to other recovery operations	0
<b>Non-hazardous waste diverted from disposal</b>	<b>555.45</b>
Non-hazardous waste diverted from disposal due to preparation for re-use	0
Non-hazardous waste diverted from disposal due to recycling	431.84
Non-hazardous waste diverted from disposal due to other recovery operations	123.61
<b>Hazardous waste diverted to disposal</b>	<b>705.51</b>
Hazardous waste diverted to disposal by incineration	169.40
Hazardous waste diverted to landfill	478.75
Hazardous wastes diverted to disposal by other disposal operations	57.36
<b>Non-hazardous waste diverted to disposal</b>	<b>4,700.00</b>
Non-hazardous waste diverted to disposal by incineration	44.68
Non-hazardous waste diverted to landfill by landfilling	4,651.84
Non-hazardous waste diverted to disposal by other disposal operations	3.48
<b>Non-recycled waste</b>	<b>5,529.1</b>
Percentage of waste not recycled	93%
<b>Total amount of hazardous waste</b>	<b>719.26</b>
<b>Total amount of radioactive waste</b>	<b>1.10</b>

Within MedLife's operations, various categories of waste are generated, each with a specific composition depending on the activities carried out:

- Hazardous waste includes materials contaminated with biological or chemical substances, such as medical waste (18.01.06\*, 18.01.08\*), packaging that has come into contact with hazardous substances (15.01.10\*) and infected biological waste (18.01.03\*). These contain materials such as plastics (syringes, gloves, catheters), sanitary textiles (gauze, compresses), biological fluids and expired medicines.
- Also, Neolife Medical Center Romania, part of the Group, which provides radiotherapy and nuclear medicine services, generates in some cases low or medium level radioactive waste, similar to that generated in other medical institutions that use radioactive materials. This waste usually includes contaminated materials and spent radioactive sources. The management and disposal of this waste is carried out according to national and international regulations to ensure the safety of staff, patients and the environment.
- Non-hazardous waste consists of recyclable and common materials without significant biological or chemical risk. They include packaging made of plastic, paper, cardboard, glass, metal

(15.01.01 - 15.01.07), used electronic equipment (16.02.14) and various uncontaminated textiles or sanitary equipment (18.01.01, 18.01.04).

- MedLife also generates municipal waste (20.01.01 - 20.03.01), which includes food scraps, household packaging and paper, similar to household waste.

This diversity of waste requires specific management measures to minimize environmental impacts and comply with current regulations. The quantities in tons at 2024 are shown in the table below:

The waste categories were classified on the basis of specific codes and treatment applied, following consultations with MedLife specialists and treatment sheets provided by waste management service providers. The methodology used to calculate waste data is a mixed methodology including both direct measurements and estimates:

- For hazardous waste, all quantities are calculated on the basis of invoices issued by waste management operators, representing actual data, not estimates.
- Radioactive waste is also calculated on the basis of invoices issued by waste management operators, representing actual data, not estimates.
- In the case of municipal waste (recorded in the category Non-hazardous waste directed to landfill by landfill), the data are mostly taken from invoices, but also include estimates where necessary, based on monthly documents submitted by the operator to the municipality. The only exception is the waste associated with Genesys Medical Clinic SRL (620 tons), where the estimate of the amount of non-hazardous waste directed to disposal by landfilling is derived from a monthly average of invoices, issued by the collector. The conversion from volume to mass was done using a standard density of 350 kg/m<sup>3</sup>.

## VII. ESRS S1 - OWN WORKFORCE

### [S1.SBM-3] - Material impacts, risks and opportunities and their interaction with strategy and business model

The following table lists the impacts, risks and opportunities related to MedLife's *Own Workforce* that MedLife has identified and assessed as significant as a result of its DMA, including the categories of affected stakeholders and the business line impacted. This disclosure should be read in conjunction with ESRS 2, in particular IRO-1 and SBM-3, in accordance with the CSRD. Abbreviations (if applicable) are in Appendix 1.

*Table on impacts, risks and opportunities related to own workforce ESRS S1*

#	Short description	Stakeholders						Upstream	Business lines						Downstream
		Employees & Worker	Customers	Patients	Suppliers	Community	Silent stakeholder		Corporate	Clinics	Laboratories	Hospital	Pharmacies	Other	
S1	Wage benefits provide economic and social protection for employees.	✓							✓	✓	✓	✓	✓	✓	
S2	Potential work-intensive programs in own activities	✓								✓	✓	✓	✓	✓	
S3	Wages paid at a minimum level	✓							✓	✓	✓	✓	✓	✓	
S4	Absence of employee representatives	✓							✓	✓	✓	✓	✓	✓	
S5	Absence of collective bargaining at Group level or at the level of large companies within the Group	✓							✓	✓	✓	✓	✓	✓	
S6	Potential health and safety incidents in your own activities	✓								✓	✓	✓			
S7	Own activities can cause occupational diseases.	✓							✓	✓	✓	✓	✓	✓	
S8	Gender pay inequality	✓							✓	✓	✓	✓	✓	✓	
S9	Training programs that support professional development.	✓							✓	✓	✓	✓	✓	✓	
S10	Employing people with disabilities promotes inclusion.	✓							✓	✓	✓	✓	✓	✓	
S11	Absence of a specific policy and training against workplace violence and harassment	✓							✓	✓	✓	✓	✓	✓	
S12	Protection of employees' and customers' personal data	✓													
RO21	Fines in case of security breaches regarding the management of employees' personal data								✓	✓	✓	✓	✓	✓	

The Group includes in the double materiality analysis the entire workforce, taking into account both employees with individual employment contracts and non-employee's workers who are involved in the Group's operations and activities. All medical personnel, regardless of the type of contract they have with MedLife, are considered part of the Group's workforce, contributing directly to the conduct of activities and the achievement of organizational objectives.

- The first category, staff employed on individual employment contracts, includes nurses, physicians, rehabilitation specialists and administrative staff, who work in MedLife facilities, ensuring the stability and continuity of the services provided. These employees are an integral part of the Group's operational structures and are entitled to all the rights and obligations associated with this type of employment relationship.
- The second category is represented by self-employed workers who work with the Group on the basis of service contracts or as authorized natural persons (PFA). This category includes self-employed medical doctors and rehabilitation specialists who contribute to the expansion and diversification of MedLife's services

The Group's objective is to have a majority of its medical staff made up of full-time employees, even if certain specialties and functions are very difficult to fill in the current market conditions. In these circumstances, the Group enters into part-time or collaborative employment agreements with the staff concerned. The type of contractual arrangement between the Group and its medical staff depends on various criteria, such as the professional context or the time that the medical staff can devote to the services provided in the Group. Medical personnel in service contracts are regarded by the Group as

business partners, providing services to the Group as independent contractors in accordance with applicable law.

At December 31, 2024, the Group collaborates with a total of more than 4,200 physicians in its lines of activity, both employees working exclusively for the Group and collaborators, providing services as independent professionals.

As regards the positive impacts S1, S9 and S10) identified in the DMA analysis related to the sub-topics *Working Conditions and Equal treatment and opportunities for all*, at Group level they are correlated with three sub-sub-topics: *Secure employment, Training and Skills Development and Employment and Inclusion of People with Disabilities*. These impacts relate to three contributions:

- *Ensuring a safe working environment for employees by providing salary and extra-salary benefits, including the payment of social protection taxes - CAS, CASS and CAM, which protect employees from economic and social risks.*
- *Improve the professional development of employees by organizing training and development programs.*
- *Increasing social inclusion and diversity in the workplace by employing people with disabilities.*

These positive impacts extend all employees of the Group, including support and administrative staff as well as medical professionals, through individual employment contracts or service contracts.

With regard to the actual and potential significant negative impacts (S2, S3, S4, S4, S5, S6, S7) identified in the DMA analysis related to the sub-topic *Working Conditions*, at the level of Group they are correlated with five sub-sub-topics: *Working Time, Adequate Wages, Social Dialogue, Collective Bargaining, including the proportion of workers covered by collective bargaining agreements and Health & Safety*, they generate or may generate the following effects:

- *The health and well-being of employees and non-employed workers can be adversely affected by shift work schedules, including night shifts.*
- *Decreasing employee satisfaction and motivation at work by paying minimum wages*
- *Potential negative impact on respect for employees' rights and interests due to lack of designated employee representatives and absence of structured consultation processes*
- *The generation of a potential negative impact on the respect of the rights and interests of employees due to the lack of a collective labor agreement(s) at Group level or at the level of the large Group companies.*
- *Affecting the health and safety of employees and non-employee workers in the event of work-related accidents caused by exposure to hazardous substances, pathogens or the handling of certain equipment.*
- *Affecting the health and safety of employees by potentially developing work-related ill health.*

Group's strategy, business model but also the industry in which it operates, requires collaboration with medical staff in various health facilities and the adoption of digital solutions, generates or may generate direct impacts on the working time of the workforce (S2). Intense work schedules, long shifts and high physical and mental demands can be a consequence of the specific operational requirements of the healthcare sector.

However, differences in salaries between employees may arise as a result of the Group's expansion strategy, which includes the acquisition of companies of different sizes and in different geographical areas. These acquisitions entail the integration of different salary structures and working conditions, and the alignment process may take time until salary standards become uniform as the Group optimizes its

operations. Thus, it is normal that salary differences will initially arise between employees in different locations or acquired companies until administrative and operational processes are fully integrated (S3). The Group's business model, which includes both specialists in advanced medical fields as well as support staff, assumes a hierarchy of competencies which is reflected in the salary structure.

In terms of these significant negative impacts (S2, S3, S4, S5), they are widespread, occurring across most of the company's business lines and affecting a significant proportion of the workforce (S3 on underpayment of adequate wage, S4 and S5 on the lack of employee representatives and collective bargaining, and S8 on pay differentials affecting or potentially affecting a much larger number of people).

The lack of a formal framework for collective bargaining and the absence of collective bargaining agreements at Group level or at the level of the Group's larger companies are impacts arising from the Group's business model, which involves a diversified and complex structure. While the Group does not prevent employees' freedom of association to designate representatives to establish a mechanism for dialogue with management, employees fail to designate such representatives on an organization-wide basis. In the context of the Group's expansion through acquisitions, each entity may have its own labor relations practices, and without a common platform for negotiation, it becomes more difficult to ensure a uniform mechanism for communication between employees and management (S4, S5). This can limit the organization's ability to effectively address employee concerns and improve employee satisfaction, especially in a context where the organizational structure and culture are in constant alignment. Management supports employees' efforts to designate representatives and to take the necessary steps to create a formal framework for collective bargaining.

Risks related to employee health and safety are a direct consequence of the specific nature of the healthcare sector, where activities involve the handling of hazardous substances and the risk of exposure to pathogens or toxic agents. In this context, the Group's business model, which is based on the provision of complex healthcare services, requires strict protection and safety measures, including protective equipment and risk management protocols. These measures are part of the Group's strategy to ensure a safe working environment, but also to meet the requirements of healthcare-specific regulations (S6, S7). MedLife emphasizes continuous training of employees to deal with risks so that their health and safety is protected in a multi-challenging working environment. Potential impacts S6, S7 are individual in nature. For example, health and safety incidents (S6) can occur in isolation across most lines of business due to the handling of chemicals and biomedical waste, which can lead to accidental exposure to toxic substances or pathogens, as well as from improper use of equipment or electrical short circuits in medical facilities. Similarly, with regard to work-related ill health (S7), although exposure to pathogens and hazardous substances in the work environment can be a risk factor across all business lines, the incidence of cases may be low and isolated. Therefore, we consider that these impacts are of an individual nature and may not systemically affect the workforce at Group level.

Other significant actual and potential negative impacts (S8, S11 and S12) identified in the DMA analysis related to the sub-topics *Equal treatment and opportunities for all* and *Other work-related rights* are correlated with three sub-sub-topics: *Gender equality and equal pay for work of equal value*, *measures against violence and harassment in the workplace* and *Confidentiality*.

- *Reduced motivation and job satisfaction due to the gender pay gap.*
- *Increased employee stress and anxiety as well as increased risk of violence or harassment due to the lack of a specific policy and training against workplace violence and harassment and management of these behaviors.*
- *Generating potential negative impacts on its own workforce in case of cybersecurity breaches that would lead to disclosure or loss of personal data.*



The gender pay gap within the Group (S11) and specific to this sector stems from the fact that women occupy a significantly higher number of positions as nurses. As the skill levels and responsibilities are different, it is understandable that there are pay discrepancies between women and men, but also between different positions within the same business lines.

The lack of specific training programs against violence and harassment in the workplace is another important issue stemming from the Group's business sector. The healthcare sector is one in which interactions with patients and their families are frequent and sometimes conflicts or harassment situations may arise. Also, the hierarchical structure in hospitals and clinics can influence power relations, which underlines the need to implement prevention and intervention programs to ensure a safe and respectful working environment for all employees (S11).

The management and security of personal data is an ongoing challenge within the Group, given the large amount of sensitive information that needs to be protected. In this regard, the Group's digitization strategy includes continuous investments in IT infrastructure and cybersecurity so that the risks associated with security breaches are minimized (S12).

In the process of analyzing the double materiality, the main categories of people in the workforce, which, due to the specific nature of the activities carried out, are or could be negatively affected are:

- healthcare staff working on shift work present an increased risk of harm to health and safety;
- healthcare workers involved in chemical handling, biomedical waste management or exposure to pathogens pose an increased risk to their health and safety.
- young employees, who are in the process of adapting to the demands of the healthcare sector, and female employees, in the context of work-life balance challenges, may face additional difficulties in working conditions.
- people with disabilities, by the nature of their specific needs, require special attention to ensure that the workplace is adapted to their requirements and to prevent any additional risks.

The DMA analysis resulted in only one significant risk (RO21) related to own workforce, correlated with the sub-topic *Other work-related rights*, sub-sub-topic *Confidentiality*. In the current context, where one of the major global risks is cyber security, the emergence of security breaches at company level is quite high. They may also lead to the disclosure of employees' personal data, which would expose the Group to legal fines and sanctions (under GDPR), legal costs and compensation for employees who would take one of the Group companies to court, as well as reputational risk that could affect revenues.

The risk of security breaches related to the management of this data (RO21) stems directly from the impact of S12 and has a significant link to our business strategy and business model and may affect all categories in the workforce. Our business model involves the collection, processing and storage of employees' personal data.

The MedLife Group has not identified any significant impacts on its own workforce as a result of the implementation of transition plans aimed at reducing negative environmental impacts and adopting more sustainable and climate neutral operations.

Within our Group companies' operations, we consider the risk of forced or child labor to be extremely limited. During 2024, no incidents associated with these forms of exploitation were identified in our operations and in the geographical regions in which we operate.

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**[S1-1] - Policies related to own workforce****MedLife Sustainability Policy**

**The Group's Sustainability Policy** affirms the company's commitment to respect for human rights in the workforce, including both its own employees and non-salaried workers. It is aligned with the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises.

In this context, the *Group Sustainability Policy* sets out clear measures to promote a safe, fair and inclusive work environment by prohibiting discrimination, forced labor, modern slavery, harassment and violence in the workplace, as well as respecting freedom of association and guaranteeing decent working conditions. The policy is also underpinned by the policy on health and safety at work, the policy to prevent discrimination and harassment at work and the data protection policy, ensuring an integrated approach to workers' rights.

Thus, MedLife is committed to comply with national and international human rights principles and legal requirements, which include, among others, the following acts:

- Forced Labor Convention No. 29/1930;
- Convention No 87/1948 on Freedom of Association;
- Convention No. 98/1949 on the Right to Organize and Collective Bargaining;
- Equal Remuneration Convention No 100/1951;
- Convention No 105/1957 on the Abolition of Forced Labor;
- Discrimination (Employment and Occupation) Convention No 111/1958;
- Minimum Age Convention No 138/1973;
- Convention 182/1999 on the Worst Forms of Child Labor.

The Group strongly denounces all forms of forced or compulsory labor, child labor, discrimination, modern slavery, harassment and violence in the workplace. In addition, MedLife, through this policy, pledges to work only with suppliers who comply with the same principles and regulations. In addition, MedLife is guided by the principle of fair and equitable remuneration, guaranteeing equal pay for work of equal value and implementing strict measures to protect employee data in compliance with GDPR. The regulation recognizes and respects the freedom of association, giving employees the right to join trade unions and participate in collective bargaining. MedLife also excludes any form of forced or compulsory labor, and employees work exclusively on the basis of individual employment contracts, in compliance with the law prohibiting the employment of minors under the legal age.

The information required by MDR-P 65 a) regarding the monitoring mechanism, c), e) and f) is reported under section E1-2 Policies related to climate change mitigation of ESRS E1.

MedLife aligns this policy with international sustainability standards, including the General Data Protection Regulation (GDPR), the UN Guiding Principles on Business and Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work.

In setting its policy, MedLife integrates the interests of its stakeholders in a balanced way, taking into account issues such as occupational health and safety, pay equity, professional development and the protection of their rights. Feedback received from employees, along with other stakeholders, can influence the adjustment of the sustainability policy to address emerging concerns and changing expectations, ensuring a safe, fair and motivating work environment.

The Sustainability Policy promotes the following principles:

- zero tolerance policy for any form of harassment and/or discrimination in the workplace (S11) promoting a work environment based on respect, safety and equal treatment;
- equal rights and equal opportunities in the workplace for both women and men, based on professional competences and the fulfillment of internal requirements - hiring, internal recruitment, promotion, promotion, pay, benefits, access to managerial positions, etc., - regardless of ethnic origin, gender, race, religion, age, disability (S10), sexual orientation, political opinion, trade union membership or other similar;
- supporting the development and career development of all employees, with a constant focus on equal opportunities (S9);
- optimizing the relationship between work and family life, equally for women and men (S2);
- communication without gender stereotypes;
- equal treatment of all employees in employment relations, in the sense of ensuring non-discriminatory access to certain rights such as free choice or exercise of a profession or activity, employment on all vacant posts, equal pay for work of equal value (S8), evaluation of performance at work, conditions of employment that comply with health and safety at work, promotion at any hierarchical and professional level, vocational training programs, career counseling;
- respect for human dignity, all persons employed within the Group having the right to a working environment free from violence and harassment, being guaranteed the free and full development of their personality, in a work culture based on mutual respect and dignity (S11).
- "Zero risk" principle as a fundamental principle of the internal health and safety management system to control the risk of accidents in the workplace, to reduce risks at source and implement collective and individual protective measures, to improve well-being at work and to prevent psychosocial risks (S6, S7).
- respect for the right of association (S4, S5), recognizing the importance of social dialogue and employee participation in decision-making processes relevant to their working conditions.
- security of personal data of employees and non-employee workers (S12) through strict compliance with the General Data Protection Regulation (GDPR).

### **Internal Regulation**

**MedLife's Internal Regulation** is intended to provide information about employment relations within the company, the rights and obligations of employees and the employer, as well as specific rules on occupational health and safety, discipline, non-discrimination, working time, employee appraisal, personal data protection and other relevant issues. The Internal Regulation apply to all employees of the company with individual employment contracts, both fixed-term and indefinite, full-time and part-time. It also applies to trainees and students on work experience, staff on secondment or secondment and other persons carrying out temporary activities within the company.

The Human Resources Department is responsible for the implementation of the Internal Regulation, which ensures compliance with its provisions, manages labor relations and resolves employee requests or complaints. The Regulation is available for consultation at the Human Resources Department and is made available to employees when they sign their employment contract. The internal regulation is aligned with the applicable regulations, complying with the Labor Code (Law no. 53/2003), the Occupational Health and Safety Law no. 319/2006, as well as the Regulation (EU) 2016/679 (GDPR) on the protection of personal data.

This document addresses the following sustainability matters:

- *working time (S2)* by clearly regulating working time, including keeping track of working hours through time clocks and respecting meal and rest breaks, minimizing the risks associated with intense work, promoting work-life balance.
- *fair remuneration* for work performed, adapted to the employee's skills and responsibilities, including criteria that prevent discrimination in setting salaries, reflecting the company's ethical principles.
- *health and safety*, establishing a well-defined set of mandatory rules and measures addressed to all employees, collaborators, and participants in the company's activities. The document emphasizes the importance of continuous training of employees in the field of H&S through general and regular introductory trainings, as well as constant assessment of workplace risks.
- prevent *work-related ill health* through regular risk assessments and training. Regulations encourage the use of personal protective equipment and constant checking of working conditions.
- *non-acceptance of gender-based wage discrimination*, promoting equal opportunities and equal rights for equal work. In addition, it emphasizes the obligation to regularly evaluate pay policies to prevent unfair differences from arising.
- the document explicitly prohibits any form of *harassment or violence in the workplace*, setting clear disciplinary sanctions. It is important for us to promote an environment based on mutual respect and safety. In addition, the regulation includes mechanisms for confidential reporting of incidents and protecting the employees involved.
- *protection of personal data* - procedures for controlled access to sensitive information and strict rules for data management are detailed.
- providing a salary benefits package that supports the financial and social stability of employees. Salary benefits are tailored to the complexity and responsibility of the job.
- the regulation defines vocational training as a priority, establishing the employer's obligation to offer training programs at least every two years. We are committed to supporting the development of employees' skills to meet the demands of the labor market. Programs are tailored to meet the specifics of each role and professional development needs.
- integration and adaptation of workplaces for people with disabilities, prohibiting any discrimination. The regulation refers to the removal of physical and organizational barriers to facilitate access and integration.
- integrates fundamental human rights principles, ensuring equal opportunities, fair treatment and protection of employees.
- by laying down clear rules, it prohibits any form of discrimination, harassment or violence at work, promotes diversity and inclusion, and guarantees employees' right to health and safety at work.
- compliance with national legislation on the protection of employees, including regulations prohibiting the employment of minors under the legal age.

### ***Policy on preventing and combating discrimination and harassment in employment relationships.***

**The policy to prevent and combat harassment and violence**, aimed at ensuring a safe and non-discriminatory organizational environment for all employees, aims to prevent, identify and sanction any behaviour that may constitute harassment, violence or unfair treatment, protecting employees and promoting a harmonious and professional working climate.

The policy is addressed to all Group employees, regardless of their position, as well as to collaborators and partners who carry out activities within the organization. Also, by providing clear reporting mechanisms that ensure that employees have the opportunity to submit complaints in a safe and

confidential manner, it implicitly reflects the degree of involvement of employees and other stakeholders in the process of developing and reviewing the policy.

The document is drafted in accordance with the Labor Code, the Romanian Constitution, Law no. 202/2002 on equal opportunities and equal treatment between women and men, Law no. 167/2020 on the prevention and sanctioning of all forms of harassment, as well as with the European Union Directives applicable in the field of preventing and combating harassment in the workplace. The policy is implemented and monitored by the Human Resources department, which ensures compliance with the measures laid down, manages referrals and coordinates preventive and remedial actions.

The main policy objectives are:

- Creating a safe working environment where respect and professionalism are fundamental values.
- Establish a clear and accessible mechanism for reporting and investigating incidents of harassment and violence.
- Protect employees who report such incidents, ensuring their confidentiality and protection against retaliation.
- Implement training and awareness sessions to prevent and manage situations of harassment or violence.

The policy is available for consultation at the Human Resources Department, being made available to employees through the intranet and the e-learning platform.

### ***Occupational Safety and health policy and management plan***

The purpose of this document is to set out measures to prevent and reduce the risks of work-related injury and illness, ensuring a safe working environment and compliance with occupational health and safety legislation. The OSH policy applies to all MedLife departments and workplaces. Through this policy, MedLife is committed to identifying and assessing all risks associated with its activities, ensuring that workplaces are adequately equipped and that staff are continuously trained to minimize health and safety incidents, thus contributing to the prevention and reduction of the effects of potential work-related incidents (S6). At the same time, it is a priority to implement strict measures to prevent work-related ill health, including continuous monitoring of employees' health, adapting workstations to ergonomic requirements and providing adequate personal protective equipment, thus reducing the risk of developing work-related ill health among employees (S7).

The overall responsibility for the implementation of the OSH policy rests with MedLife's CEO, who may delegate certain tasks to a designated representative, without being relieved of legal responsibilities. By implementing this policy MedLife complies with all applicable legal regulations and European Directives on occupational safety and health. The OSH policy is communicated to all employees through regular training, workplace postings and specific information.

The main purpose of the **CSSM regulation** is to regulate and implement the necessary measures to ensure the health and safety of employees in the workplace. Through it, specific responsibilities, preventive measures and mechanisms for monitoring working conditions are established in order to reduce the risks associated with the activities carried out within the organization.

The main responsibility for implementation lies with the Occupational Safety and Health Committee (OSHC), as well as with the designated managers in the establishments, who must ensure that the measures laid down are respected and properly applied. The responsibility also lies with the employees, who must comply with the rules and measures laid down to protect health and safety at work. The document is communicated to employees through internal information procedures and by involving the

structures responsible for health and safety at work. It is made known mainly through meetings of the Occupational Safety and Health Committee (OSHC), by posting it in the workplace and by official information sent to employees.

The document applies to all employees within the organization, with particular applicability to people exposed to occupational hazards in MedLife facilities such as clinics, laboratories and hospitals. It is also applicable to administrative staff and other employees who work in environments where occupational safety and health must be continuously monitored and improved.

**[S1-2] - Processes for engaging with own workers and workers' representatives about impacts.**

At MedLife, there are no trade union organizations or designated employee representatives. Collaboration with employees on workforce impacts does not take place in a formalized framework. The Group plans to develop and implement a comprehensive collaboration process over the coming years, including mechanisms dedicated to collecting feedback from employees.

The operational responsibility for ensuring collaboration between employees and the company lies with the Human Resources Department, which analyzes employee complaints and implements measures to improve the working environment.

Currently, MedLife does not have comprehensive framework agreements or other formal agreements with workers' representatives on human rights for its own workforce. There are also no trade union organizations or designated employee representatives within the company that participate in collective bargaining.

MedLife does not have a formalized mechanism for evaluating the effectiveness of working with its own workforce, as there are no collective agreements or employee representatives.

Evaluation of the effectiveness of collaboration is mainly done through internal mechanisms:

- Permanent direct channels of communication between employees and their hierarchical superiors, allowing concerns about working conditions to be voiced and appropriate solutions identified.
- The role of the Human Resources Department, which analyzes employees' requests and complaints, providing feedback and implementing measures to improve the working environment.
- Confidential reporting mechanisms, such as the *Protection of Public Interest Whistleblowers*, whereby employees can report issues related to working conditions, discrimination or other ethical issues through confidential internal reporting channels. The responsibility for managing this mechanism lies with the Board and the independent third party appointed.
- Exit interviews organized by the Human Resources Department to understand how to improve working conditions or the causes that led to those situations.
- Biannual training and sessions on health and safety at work organized by the H&S Responsible, where employees can give feedback on their working conditions.

These collaboration mechanisms are permanently available to all Group employees and collaborators, being accessed by them whenever needed. Currently, the Group does not have a formal evaluation of internal collaboration mechanisms with its own workforce in place, and will analyze the possibility of implementing such a process in the coming period. The collaborative processes outlined above cover all categories of employees, regardless of gender, race, religious affiliation, sexual orientation, age, social origin or any other criteria that could lead to discrimination. The Group has not yet taken specific steps



to understand the perspectives of people in its own workforce who may be particularly vulnerable to impact or marginalized, such as women, migrants or people with disabilities.

**[S1-3] - Processes to remediate negative impacts and channels for own workers to raise concerns.**

The Group has a mechanism for dealing with complaints or grievances in relation to personnel matters. *The Internal Regulation* provide for a clear procedure whereby employees can lodge complaints about employment relations, working conditions, job evaluations or other problems encountered within the company. For individual complaints or requests from employees, the procedure involves submitting a written complaint to the Human Resources Department. Complaints are recorded in a register and analyzed according to the rules set by the company. They are dealt with by designated persons in the Human Resources department, who examine the complaint and propose remedial action. There is also the possibility of conciliation of individual labor disputes, which means that before more drastic measures are taken, there is an internal mediation mechanism where the employee and the company can reach an amicable solution.

In addition, for occupational health and safety issues, MedLife has set up an *Occupational Health and Safety Committee (OHSC)*, where employees can directly report any problems related to their working conditions or risks to which they are exposed to the designated representatives. The role of the OHSC is to monitor and propose measures to improve safety at work.

MedLife considers the Integrity Whistleblower Form available on the company's website to be the primary formal confidential channel in the process of remedying potential negative impacts on employees. Through it, complaints and referrals, reporting of irregularities or unethical or unlawful practices may be submitted by any interested party by following the steps outlined in this form.

The whistleblowing reports received are recorded in an electronic register which includes information such as the date of receipt of the report, the full name of the whistleblower and the contact details of the whistleblower, if known, the subject of the report and the proposed method of resolution. With regard to the resolution process, a designated independent external team will analyze the report and make proposals for follow-up action to MedLife's relevant persons. To the extent that the referral relates to matters that are significant to MedLife's business, the Board of Directors shall be informed immediately. No later than three months after acknowledgement of receipt of the report, the whistleblower shall be informed by the designated team of the status of the follow-up and subsequently whenever there are any developments in the follow-up, unless the information could jeopardize the follow-up. Following the investigation, if the report is substantiated, MedLife's management may take actions such as: disciplinary investigation, refer the matter to criminal investigative authorities, or improve MedLife's policies and regulations to prevent recurrence of the risks and misconduct. Subsequently, depending on the outcome of the investigation, the designated person will prepare a report on whether the report has been resolved or closed and communicate it to the whistleblower. The policy also covers when the report is closed for just cause or what the rights of the persons concerned by the report are. Special care is taken to protect whistleblowers from retaliation and their confidentiality is guaranteed. MedLife prohibits any form of retaliation, such as suspension of employment, salary reduction, harassment or discrimination.

To facilitate employees' access to these resources, relevant policies and procedures are available from the Human Resources Department, are made known upon hiring or are published on the Group's website.

In order to monitor and ensure the effectiveness of our complaint and feedback channels, we regularly analyze issues raised through these mechanisms, tracking how they are resolved and identifying opportunities for improvement. MedLife does not currently conduct regular surveys to assess employee

satisfaction with these channels, but plans to implement such surveys in the future as part of a continuous improvement process.

**[S1-4] - Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions.**

Within the Group, the process by which we identify and determine the necessary and appropriate actions in the face of an actual or potential negative impact on workforce is based on the existing legislative framework and international best practices. We identify the necessary and appropriate actions to manage actual or potential negative impacts on the workforce through a structured process involving continuous monitoring of working conditions, analysis of data collected from timekeeping systems, training sessions and regular consultations with employees. To this end, we use internal communication channels, discussions with the Human Resources Department, as well as confidential reporting mechanisms, which allow employees to report any issues related to working conditions, working hours or the organizational environment. Corrective actions and preventive measures are established in accordance with applicable legislation, internal regulations and best practices in the field.

IRO No	Actions	Target as time	Aim of the action	Status	Budget	Efficiency
S1	Maintaining and extending benefit packages	Continuous	All employees	Planned	Resources allocated	Employee surveys
S2	Active monitoring of working time through time clocking systems to prevent employees from exceeding legal working limits and overwork	Continuous	All employees	Ongoing	Resources allocated	HR Department quarterly reporting and legislative alignment
S3	Adjusting salaries in line with applicable legislation	Continuous	All employees	Ongoing	Resources allocated	

*\*Resources allocated - no dedicated financial resources have been allocated, as the measures implemented are part of the Group's ongoing operations and are integrated into existing organizational and compliance processes.*

With regard to *S1 Salary Benefits provides economic and social protection for employees*, the employee compensation structure (applicable to the entire workforce in all our operating entities) includes a base salary, variable remuneration linked to performance or aligned with overtime-related incentive pay regulations, as well as fringe benefits such as meal vouchers and gift vouchers, designed to support their financial balance and well-being. Other benefits relate to the minimum number of vacation days (21 days), holiday allowances, self-service platforms, teleworking where the position allows, other benefits in the form of discounts on services, as well as salary agreements with partner banks, referral programs. In terms of share development, we intend to monitor labor market trends and internal feedback to identify potential improvements in compensation and benefits policies to ensure a stable and sustainable work environment for all our employees.

In order to reduce the impact generated by intense work schedules, clear working time and rest regulations have been implemented in accordance with the Internal Regulations and related legislation, ensuring compliance with the legal rules on working hours and mandatory rest periods. These measures are monitored by the Human Resources Department in order to contribute to mitigating the effects associated with the impact of *S2 Potential intense work schedules* in own activities. We periodically evaluate the data collected and promptly intervene to adjust the work schedule, redistribute tasks and reorganize activities. In the long term, we aim to optimize our monitoring and prevention mechanisms so that we can identify and address potential imbalances before they affect the health and safety of our staff. The actions implemented apply to the entire MedLife workforce.

The actions taken are an integral part of the Occupational Health and Safety Policy (OHS) and Internal Regulation, documents that provide clear measures to prevent overwork, monitor working time and protect the health of employees, as well as methods of remuneration for overtime worked. These

measures are implemented at all Group entities, including clinics, laboratories, hospitals and other administrative units.

In terms of the current impact associated with S3, we are committed to ensuring an appropriate level of remuneration, commensurate with the responsibilities and complexity of each role, for both clinicians and other team members. While there are employees who are compensated at minimum wage, they are generally in entry-level or administrative positions without significant responsibilities. MedLife implements measures to support their economic security by providing fringe benefits, support for professional development through training programs, and access to career advancement opportunities. In order to ensure the effectiveness of corrective measures, MedLife constantly monitors employee retention levels, analyzes feedback collected during periodic evaluation processes and adjusts salary policies in accordance with labor market dynamics, applicable legislation and organizational requirements

IRO No	Actions	Target as time	Aim of the action	Status	Budget	Efficiency
S4	Respect the right of association through appropriate policies	Continuous	All employees	Ongoing	Resources allocated	Measured through direct collaborative processes and subsequent survey engagement mechanisms
	Dialogue and direct consultation	Continuous	All employees	Planned	Resources allocated	
	Clear non-discrimination and non-retaliation policies	Continuous	All employees	Ongoing	Resources allocated	
	Access to information and resources on relevant legislation	Continuous	All employees	Ongoing	Resources allocated	
	Promoting a climate of respect and cooperation	Continuous	All employees	Ongoing	Resources allocated	
S5	See S4	Continuous	All employees	Ongoing	Resources allocated	

*\*Resources allocated - no dedicated financial resources have been allocated, as the measures implemented are part of the Group's ongoing operations and are integrated into existing organizational and compliance processes.*

For sustainability topics S4 and S5, until now, MedLife does not have elected employee representatives to negotiate employee rights, nor collective bargaining agreements that establish a unified framework for negotiation. The reasons why these structures do not exist include among others the specifics of the business sector, the current geographical structure of the workforce, but also the structure of the Group entities. MedLife recognizes the importance of these issues and, through its Internal Regulation, is pursuing initiatives to reduce or prevent the effects of these impacts.

Annually, Medlife informs employees about the relevant legislation and provides employees with all necessary information, officially recognizing the right of employees to form or join a trade union without fear of retaliation. There is clear communication in the Internal Regulation and Sustainability Policy that employees have freedom of association in accordance with labor law.

However, the Group maintains a working environment based on communication and transparency, encouraging open dialog between employees and management. The Human Resources Department actively manages employee requests, collects constant feedback and implements measures to improve working conditions. In addition, through its *Protection of Public Interest Whistleblower Policy*, MedLife provides a confidential mechanism through which employees can report any issue related to working conditions, guaranteeing protection against retaliation. In 2024, there were no reports of complaints from the workforce.

IRO No	Actions	Target as time	Aim of the action	Status	Budget	Efficiency
S6	Organize regular safety training sessions for staff.	Continuous	Employees hospitals, clinics, laboratories	Ongoing	Resources allocated	Measured directly at the operational level through indicators such as: realization of maintenance plans, existence and/or impact of incidents, number of people trained.
	Ensuring appropriate protective equipment	Continuous		Ongoing	Resources allocated	
	Implementation of a health and safety risk management system in healthcare facilities.	Continuous		Ongoing	Resources allocated	
	Regular assessment of hospital equipment and infrastructure to reduce risks.	Continuous		Ongoing	Resources allocated	
S7	Organize regular safety training sessions for staff.	Continuous	All employees	Ongoing	Resources allocated	Measured directly at operational level through indicators such as: # reported occupational illnesses
	Regular medical assessments through occupational health services	Continuous	All employees	Ongoing	Resources allocated	

*\*Resources allocated - no dedicated financial resources have been allocated, as the measures implemented are part of the Group's ongoing operations and are integrated into existing organizational and compliance processes.*

To prevent work-related incidents (S6), we have implemented an Occupational Health and Safety Management Plan (OHSMP), which includes specific measures such as regular risk assessment, continuous employee training and the application of relevant European standards. We also apply strict rules on the use of personal protective equipment, the handling of hazardous substances and accident prevention. Within the Occupational Safety and Health Committee (OSHC), the causes of work-related incidents were analysed and preventive measures were updated and aligned with organizational needs and requirements, following consultations with the OSHC representatives. The actions taken to manage the impacts related to potential health and safety incidents in own activities (S6) are limited in scope, covering mainly clinics, laboratories and hospitals.

In terms of prevention of work-related ill health (S7), we have continued to provide regular medical assessments through occupational healthcare services, thus ensuring the monitoring of employees' health and minimizing the impact that occupational risk factors may have on them. In addition, we are committed to continuously adapting working conditions to ergonomic requirements and provide continuous training of employees to recognize and prevent work-related ill health. As regards the impact of activities on employee health, including the risk of work-related ill health (S7), the measures implemented are applicable to all Group units, regardless of the type of activity carried out.

The implementation of these measures did not require financial resources, as the processes are integrated into the internal regulations and carried out with the support of existing structures.

IRO No	Actions	Target as time	Aim of the action	Status	Budget	Efficiency
S8	Clear non-discrimination policies	Continuous	All employees regardless of gender	Ongoing	Resources allocated	Measured through direct collaboration processes, cost of training and subsequently survey engagement mechanisms
S9	Implementation of the e-learning platform	Continuous	All employees	Ongoing	Resources allocated	
	Strengthening and expanding Life Academy and Good Practice programs - Nurses School	Continuous	All employees	Ongoing	Resources allocated	
	Facilitating access to continuing vocational training	Continuous	All employees	Ongoing	Resources allocated	
S10	Clear non-discrimination policies	Continuous	All employees	Ongoing	Resources allocated	
S11	Continued use of dedicated channels for incident reporting	Continuous	All employees	Ongoing	Resources allocated	

*\*Resources allocated - no dedicated financial resources have been allocated, as the measures implemented are part of the Group's ongoing operations and are integrated into existing organizational and compliance processes.*

At MedLife, we apply clear and comprehensive policies to prevent discrimination, combat harassment and promote a fair and inclusive work environment. The Group's *Sustainability Policy* and *Internal Regulation* contain key provisions that contribute to the elimination of discrimination and respect for the principles of equal opportunity in accordance with international human rights standards.

MedLife's remuneration policy is based on the experience, skills and level of responsibility of each employee. The principles of equal pay are integrated into our framework and all employees are entitled to equal pay for work of equal value, without any discrimination based on gender. In the absence of a specific internal pay regulatory framework, pay is determined by individual negotiation, based on criteria such as experience and professional expertise. In order to prevent potential gender pay gaps, we regularly review the pay structure within the main occupational categories and assess the effectiveness of our measures by monitoring progress on pay equity. The Group has also already initiated actions aiming at alignment with pay transparency legislation.

We also implement the *Policy on Preventing and Combating Harassment and Violence in the Workplace*, which commits us to protect the rights of employees and prevent any discriminatory treatment. Our policies prohibit any form of direct or indirect discrimination based on race, nationality, ethnicity, gender, sex, sexual orientation, gender identity, disability, age, religion, political opinion, national or social origin and any other criteria covered by national and European legislation. Respect for human rights at MedLife is ensured through clear reporting mechanisms so that employees can raise any concerns about their rights.

MedLife evaluates the effectiveness of corrective actions by analyzing referrals received and staff retention rates. In 2024, there were no employee referrals of workplace harassment or violence. All these actions are supported from the Group's operating budgets and do not require the allocation of additional resources.

MedLife supports the professional development of employees through continuing education programs aimed at improving skills and enhancing the quality of care. In 2024, key actions include strengthening and expanding Life Academy and Good Practice - Nurses School type programs, which provide educational resources for the development of medical staff, as well as facilitating access to continuing professional development courses, essential for the renewal of certificates of practice and the development of specific competencies in each field. Actions target the entire workforce, including both medical and administrative staff. Financial resources, detailed in the table below, have been allocated to continuing training programs

IRO No	Actions	Target as time	Aim of the action	Status	Budget	Efficiency
S12	Appointment of a Data Protection Officer (DPO) and application of GDPR policy	Continuous	All employees	Ongoing	Resources allocated	Measured directly not only by the number and/or impact of data privacy incidents, but also indirectly as the number of people trained and the number of employees with GDPR agreement in place.
	Training staff on GDPR compliance and good data protection practices.	Continuous	All employees	Ongoing	Resources allocated	
	Implementation of cyber security systems to protect data (encryption, multi-factor authentication).	Continuous	All employees	Ongoing	Resources allocated	
	Adopt a regular audit system to verify compliance with patient data privacy rules.	Continuous	All employees	Ongoing	Resources allocated	
R021	See S12	Continuous	All employees	Ongoing	Resources allocated	

*\*Resources allocated - no dedicated financial resources have been allocated, as the measures implemented are part of the Group's ongoing operations and are integrated into existing organizational and compliance processes.*

In 2024, we continued the implementation of measures started in previous years to ensure the confidentiality and security of employees, preventing the risks associated with the improper management of sensitive information. Employees are informed of their obligations related to data processing and express their consent by signing an Information Agreement on the use of personal data, attached to their individual employment contract. They are also required to respect the confidentiality of the information they become aware of in the performance of their duties, any breach of which is considered a serious infringement of the Regulation.

In order to prevent security incidents, we implement appropriate technical and organizational measures, which include restricting access to data, use of cybersecurity protocols and continuous monitoring of information systems. In the event of security breaches, employees are obliged to report the incident to the Data Protection Officer and their line manager within 24 hours, so that we can react promptly and limit the impact.

To avoid double reporting, we note that the measures put in place to manage the impact of *S12* also aim at mitigating *RO21* risks.

These measures apply to all employees and non-salaried workers. To assess the effectiveness of corrective measures, we monitor compliance with internal procedures, regularly analyze the risks associated with data processing and review security systems as required by law. We also ensure that any data protection requests are handled in accordance with the law and that employees have access to clear mechanisms to exercise their rights, including the right to access, rectify or delete data. To implement and reinforce these measures, MedLife has allocated sustained financial resources from the Group's operating budgets.

We constantly strive to ensure that our practices do not create or contribute to significant negative impacts on the workforce by implementing internal policies and mechanisms designed to protect the rights and well-being of employees. Where tensions arise between preventing negative impacts and commercial pressures, we prioritize employee safety and satisfaction in decision-making.

#### **[S1-5] - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities**

The targets set so far at the Group level are not specifically aligned to all the significant sustainability issues identified in the Double Materiality process. They also do not fully meet the requirements of the ESRS to define measurable, result-oriented and time-bound objectives. For this reason, we do not include such specific targets in our current reporting.

However, we recognize the importance of setting clearly defined, measurable and ESRS-aligned objectives to monitor sustainability performance. In the coming period, we aim to develop a structured framework for setting targets so that they are relevant, measurable and integrated into our development and reporting strategies. This will ensure greater transparency and make it easier to assess the real impact of the initiatives implemented on our employees, contributing to the consolidation of a sustainable business model.

Although no specific quantifiable targets are yet specifically set for the sustainability issues identified in the Double Materiality process, we constantly track the impact of our actions through a structured monitoring system. This system includes:

- Regular analysis of operational metrics, including employee turnover or retention rate, gender structure, minimum wage level, number of reported work-related incidents, etc..
- Collect and analyze employee feedback, using direct channels, complaints and suggestions, to understand and improve the consumer and end-user experience.
- Internal audits and controls carried out in our medical facilities to ensure compliance with quality, safety and medical ethical standards.
- Reporting and analyzing sustainability data by monitoring our activities and initiatives that contribute to improving access to healthcare and reducing negative impacts.



- We also regularly analyze labor market trends and our operational performance to identify areas for optimization and intervention.

### [S1-6] - Characteristics of the undertaking's employees

At the end of 2024, the Group has a workforce of 7,393 employees, of which 6,148 are women and 1,245 are men, showing a majority female representation within the company, specific to the sector.

#### Total number of employees Headcount

Male	1,245
Female	6,148
Other	-
Undeclared	-
<b>Total employees</b>	<b>7,393</b>

The total number of employees is also presented in Note 23 to the Consolidated financial statements for the year 2024. The Group has a significant presence in Romania, where 7,335 people are employed, and in Hungary, where 58 employees are active, thus consolidating its regional expansion.

The Group maintains a stable and efficiently structured workforce, with over 98% of employees on permanent contracts and 93% working full-time, demonstrating a strong commitment to employee retention and operational continuity, which are essential for the efficiency and quality of healthcare services provided. Below is the situation of employees by type of contract:

	<b>Total number</b>	<b>Female</b>	<b>Male</b>
<b>Total number of employees ENI/FTE</b>	<b>6,637.74</b>	<b>5,576.63</b>	<b>1,061.11</b>
Number of permanent employees	6,520.21	5,478.35	1,041.86
Number of temporary employees	117.52	98.275	19.25
Number of full-time employees	6,189.0	5,233.00	956
Number of part-time employees	448.73	343.62	105.11

Between January and December 2024, the Group recorded an employee turnover rate of 31%, with a total of 2,281 departures from the company, reflecting the dynamics of the workforce in a competitive healthcare sector that is constantly adapting to market demands.

The total number of employees for the year 2024 was determined based on the number of people in the company at the end of the reporting period (i.e. December 31, 2024). For the analysis of employees by type of contract, the FTE metric (full-time equivalent / FTE), calculated at the end of the reporting period, was used, thus providing a clear picture of the actual employment rate.

Employee turnover was measured by the number of employees who left the company during the reporting period (January through December 2024), including both voluntary and involuntary departures (layoffs, retirements, deaths). Employee turnover rate was calculated as the ratio of the total number of employees who left the company to the total number of employees in existence at the end of the reporting period. The reported metrics are not certified by an independent external body, but the Group uses specialized software solutions for the management of human resources and financial processes, ensuring the accuracy and transparency of the analyzed data.

### [S1-8] - Collective bargaining coverage and social dialogue

At the Group level, there are no constituted trade union organizations and employees are not affiliated to internal union structures. Furthermore, there is no collective bargaining agreement within the Group, labor relations are governed by individual employment contracts and internal company policies.

### [S1-9] - Diversity metrics

Employee diversity is presented in the following table:

Number of employees FTE/ENI	U.M.	The year 2024
Number of employees under 30 years of age	No	1,605
Percentage of employees aged under 30	%	21.71%
Number of employees aged 30-50	No	4,254
Percentage of employees aged 30-50	%	57.54%
Number of employees aged over 50	No	1,534
Percentage of employees aged over 50	%	20.75%
<b>Total Employees</b>		<b>7,393</b>

In the year 2024, the Group has a demographically balanced workforce, with 57.54% of employees aged between 30 and 50, reflecting a majority of experienced and stable professionals. At the same time, 21.71% of employees are under 30 years of age, highlighting a strategy of attracting and integrating the younger generation, while 20.75% of employees are over 50 years of age, ensuring an optimal mix of expertise and innovation within the team. For the presentation of employees by age, the number of employees expressed as FTE (full time equivalent) at the end of the reporting period (31.12.2024) was used. The percentage of employees in each age category was determined as the ratio between the total number of employees in that age category and the total number of FTE employees at the end of the reporting period.

Total number of senior management HC	No	18
Senior management level 1	No	4
Male	No	3
Male	%	75%
Female	No	1
Female	%	25%
Senior management level 2	No	14
Male	No	7
Male	%	50%
Female	No	7
Female	%	50%

The Group has two leadership structures, of which four members are part of the Executive Committee, with a male representation of 75% and female representation of 25%, and another 14 members form the Operational Management Team, with a balanced distribution between men and women (50% each), reflecting a diversified and well-structured leadership model.

With regard to the gender distribution of senior management, the number of members was expressed in number of persons at the end of the reporting period. The percentage of gender representation was calculated as the ratio of the number of persons of a given gender in senior management to the total number of members of senior management.

**[S1-10] - Adequate wages**

The reference level used for the appropriate salary has been allocated in accordance with *ESRS S1-10 AR 73. (a)*, taking as reference 50% of the average gross earnings per country (Romania and Hungary) in December 2024, in line with the approach used in the absence of a minimum wage set by collective bargaining or specific legislation applicable in the EEA.

In order to determine the metric related to the number and percentage of full-time employees paid below the level considered adequate salary (i.e. 4626 RON for Romania and 363,850 HUF for Hungary), the Group applied the following methodology and assumptions:

- The total number of employees used in the analysis represents the number of full-time employees at the end of the reporting period (12/31/2024).
- The percentage of employees paid below the adequate salary threshold has been calculated by dividing the total number of employees with guaranteed salaries below this threshold by the total number of employees.
- Elements included in the calculation of the appropriate salary: the analysis took into account the basic salary and any additional fixed payments guaranteed to all employees.

Within the Group, 779 full-time employees (representing 10.5% of the total workforce) are paid below the level considered to be an adequate salary. Among them, 778 are from Romania and one from Hungary. The Group constantly strives to provide employees with competitive salary conditions in line with industry standards and to keep pace with economic developments and labor market requirements. This analysis should be seen in the context that the appropriate salary at December 2024 is 25% higher than the minimum gross wage for the same period (to which the Group has aligned itself each time). There are also a total of 4,212 collaborating doctors (non-salaried workers), who are not counted in the total number of employees, which would significantly change the reported percentages.

The limitations of the methodology also relate to the definition of the amounts that are considered eligible as per ESRS (i.e. guaranteed under the individual employment contract). The Group has implemented a performance-related variable remuneration system that has not been taken into account in the calculation of the guaranteed amounts, even though these amounts are consistently granted to eligible employees.

To determine the metric on the number and percentage of part-time employees paid below the level considered to be an adequate salary, the Group applied the following methodology and assumptions:

- The total number of employees used in the analysis represents the number of persons employed part time at the end of the reporting period (31.12.2024).
- The percentage of employees paid below the adequate salary level was calculated by relating the hourly rate of the adequate salary to the hourly rate of part-time employees calculated on the basis of the guaranteed salaries.
- Elements included in the calculation of the appropriate salary: the analysis took into account the basic salary and any additional fixed payments guaranteed to all employees.

Within the Group, 397 part-time employees (representing 5.3% of the total workforce) from Romania are paid below what is considered to be an adequate salary. The Group is constantly striving to offer its employees competitive salary conditions even for part-time employees.

### [S1-14] - Health and safety metrics

<b>Health and safety at work</b>	<b>Group</b>
Percentage of persons in own workforce covered by the company's health and safety management system based on legal requirements and/or recognized standards or guidelines	100%
Percentage of non-salaried workers in own workforce covered by the health and safety management system	100%

The Group places particular emphasis on health and safety at work, ensuring that its entire workforce is covered by a health and safety management system that complies with legal requirements and industry best practice. At the same time, external collaborators working within the Group benefit from the same standards, contributing to an organizational culture oriented towards prevention, safety and professional responsibility. The assessment of this metric included all employees of the Group, regardless of the type of contract (permanent or temporary) and the type of employment (full-time or part-time).

The percentage of employees covered by the health and safety management system has been determined by relating the total number of employees covered by this system to the total number of active employees at the end of the reporting period

The number of non-salaried workers (4,212 collaborating physicians) covered by the occupational health and safety management system (OHSMS) represents the total number of non-salaried workers to whom the company's OHS policies and measures apply, in accordance with the specific OHS agreements concluded between them and the Group company. According to these agreements, the Group company may either assume its responsibilities in the field of HSE or transfer these obligations entirely to the non-employee. The calculation was made by relating the number of non-employee workers covered by the health and safety management system to the total number of non-employee workers working in the Group.

In 2024, there were no work-related accidents and no cases of work-related illnesses reported within the Group.

### [S1-16] - Compensation metrics (pay gap and total compensation)

<b>Remuneration metrics</b>	<b>The year 2024</b>
Gender pay gap	18.23%
Ratio between total annual remuneration for the highest paid employee and median remuneration	18.2

For reporting year 2024 the gender pay gap at Group level was 18.23%. The "Gender pay gap" metric was calculated based on the average gross hourly pay level, determined by relating the total amounts of gross earnings paid to each gender to the total number of hours worked in the reporting period (December 2024). The formula used to determine the percentage was  $(\text{Men's average gross hourly pay level} - \text{Women's average gross hourly pay level}) / \text{Men's average gross hourly pay level} * 100$ . The components of the formula were determined as follows:

- The average gross hourly remuneration level of all employees was determined as the ratio between the total amount of gross earnings paid in the reporting period and the total number of hours worked by all employees.
- Men's average gross hourly earnings were calculated by the total amount of gross earnings paid to men divided by the total number of hours worked by men in December 2024.
- Women's average gross hourly earnings were calculated by relating the total amount of gross earnings paid to women to the total number of hours worked by women in December 2024.

In presenting this metric, the Group considers:

- Salary elements included, i.e. basic salary and any other guaranteed gross payments.
- Reporting period, with data processed to end 2024.
- Data sources, extracted from internal HR and payroll systems.

For the 2024 reporting year ratio of total annual compensation for the highest paid employee to median compensation was 18.2. For the calculation of the metric "Ratio total annual remuneration for the highest paid employee to median remuneration", the Group includes all employees and takes into account all forms of remuneration applicable according to internal policies. The following formula was used to determine the level of the metric: *Total annual remuneration of the highest paid employee/ Total annual median remuneration for all employees (excluding the highest paid employee)*. The components of the formula were determined by considering the following aspects:

- The total annual remuneration for the highest-paid employee includes all salary and non-wage benefits laid down in the individual employment contract.
- The sum of the remuneration paid to all employees, excluding the highest paid employee, was used to determine the median wage.
- The median total annual median compensation was calculated by dividing the total gross compensation paid to all employees (excluding the highest paid employee) by the total number of employees expressed in FTE (full-time equivalent) at the end of the reporting period 31.12.2024

It is important to note that pay differentials are not just a reflection of salary structure, but are influenced by several factors, such as:

- Sector - The healthcare industry is characterized by significant differences in remuneration across professional specializations, levels of expertise and managerial positions, which influence the distribution of earnings and the ratio of the highest to the median pay.
- Employment strategy - The Group uses a mixed employment model, including full-time staff as well as non-salaried and part-time employees, which can have an impact on the overall income distribution and pay ratio.
- Influencing factors - the distribution of employees by position, level of experience and working hours.

#### **[S1-17] - Incidents, complaints and severe human rights impacts**

During 2024, no complaints were received through the Group's workforce channels to report issues or complaints (including dispute resolution mechanisms), nor to the OECD MNE National Contact Points, related to the violation of human rights. In addition, there have been no reported incidents of discrimination, harassment or other violations of employees' fundamental rights, including those related to forced labor, human trafficking or labor exploitation of minors. There were also no complaints

registered through internal reporting mechanisms and no sanctions, fines or compensation for damages were imposed in relation to such situations. This reflects the effectiveness of the measures implemented by the Group to prevent and manage human rights risks, as well as the Group's commitment to maintaining a safe, fair and inclusive work environment.

In terms of serious human rights incidents, there were no such incidents during the reporting period, including no cases of non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises. Therefore, no fines, penalties or compensation for damages were imposed in relation to such incidents.



## VIII. ESRS S2 - WORKERS IN THE VALUE CHAIN

### [S2.SBM-3] - Material impacts, risks and opportunities and their interaction with strategy and business model

The negative impacts identified as a result of the Double materiality process on workers in the value chain stem from the Group's strategy and business model and are related to the way the company works with its suppliers and partners.

A first factor that may generate impacts is MedLife's value proposition, which entails providing high quality medical services, an objective that requires operational efficiency and cost optimization, which may put pressure on upstream and downstream suppliers in terms of working conditions, wages and safety measures offered to workers. MedLife's value chain including suppliers of medical equipment, medicines and sanitary consumables is exposed to risks related to product sourcing and transparency on working conditions. In the absence of robust mechanisms to verify suppliers' social compliance, there is a risk that suppliers may fail to comply with rigorous standards on employee rights, including prohibition of child or forced labor. In addition, the cost structure and revenue model may contribute to some negative impacts on the value chain workforce. Pressures on efficiency and competitiveness may lead suppliers to keep wages at a minimum or to adopt labor practices that generate social inequalities. Also, upstream and downstream activities, in particular the production and distribution of medical equipment, collection and disposal of hazardous waste, can expose workers to health and safety risks.

These impacts are prompting MedLife to adapt its strategy and business model, strengthening due diligence measures in the supply chain and establishing stricter criteria for supplier selection and monitoring. In order to understand the economic, social and environmental impacts on our partners and suppliers, MedLife conducted a double materiality analysis at the Tier 1 level, assessing relationships with direct suppliers who have a contractual relationship with the company to our business. The following table lists the impacts, risks and opportunities related to *Value Chain Workers* that MedLife has identified and assessed as significant as a result of its DMA (DMA), including the categories of affected stakeholders and the business line impacted. This disclosure should be read in conjunction with ESRS 2, in particular IRO-1 and SBM-3, in accordance with the CSRD. Abbreviations (if applicable) are in Appendix 1.

*Table on impacts, risks and opportunities related to workers in the value chain ESRS S2*

#	Short description	Stakeholders						Upstream	Business lines					
		Employees & Workers	Customers	Patients	Suppliers	Community	Silent stakeholder		Corporate	Clinics	Laboratories	Hospital	Pharmacies	Other
S13	Labor practices that may generate social inequalities in upstream and downstream activities				✓			✓						
S14	Minimum wage practices in upstream and downstream activities				✓			✓						
S15	Potential health and safety incidents in upstream and downstream activities				✓			✓						
S15 Bis1	Insufficient measures to prevent and communicate the Code of Conduct to suppliers on the prohibition of child labor				✓			✓						
S15 Bis2	Insufficient measures to prevent and communicate the Code of Conduct to suppliers on the prohibition of forced labor				✓			✓						

The Group's value chain is structured in two major components: upstream, which includes direct suppliers of equipment, services and resources essential to the delivery of healthcare activities, and downstream, where we collaborate with entities responsible for managing post-medical processes

On the upstream side, business relations are mainly with domestic suppliers, but we also work with a small number of international partners. Partnerships include the manufacture and distribution of medical equipment, drugs and health supplies, as well as the provision of other essential goods and services, such as the development and implementation of medical software and applications, the provision of utilities and transportation services for patients and customers. These collaborations directly impact workers in upstream value chain entities involved in the manufacture, distribution and maintenance of medical equipment and resources. In this context, MedLife enforces quality, safety and health regulatory compliance standards both through supplier procurement documentation and through contractual clauses, influencing working conditions and imposing strict requirements for health protection, hygiene compliance and the implementation of sustainable practices.

Downstream, we collaborate with private and state insurers, who play a key role in managing contractual relationships and processing claims. Our transportation partners also ensure the movement of patients and clients after accessing medical services, facilitating continuity of care. Another significant category of partners is represented by operators specialized in the collection, transportation and disposal of medical waste, whose activity is essential for maintaining high standards of health safety and environmental protection. Thus workers in downstream value chain entities include employees in logistics, distribution and waste management.

Categories of workers in the value chain:

- Workers in upstream value chain entities - these include personnel engaged in the manufacture and distribution of medical equipment, drugs, medical supplies and other products and services necessary to carry out healthcare activities. Impacts on these workers may be influenced by MedLife's required standards for occupational safety, environmental protection and health regulatory compliance.
- Workers in downstream value chain entities - these include staff involved in health insurance, patient transportation and medical waste management. They include employees of medical transport companies and ancillary staff, who have to comply with patient safety and comfort regulations. Staff in the medical waste collection, transportation and disposal sector are also exposed to significant occupational risks.
- Workers vulnerable to negative impacts - there are categories of workers who are more at risk, either because of poor working conditions or lack of access to social benefits and adequate protection. These include workers involved in upstream activities, especially those engaged in the production and distribution of medicines and medical equipment, where exposure to chemicals, specialized equipment and demanding working conditions can increase the risk of work-related accidents and occupational health problems. Also in downstream activities, workers involved in the management of hazardous waste are exposed to significant risks, such as accidents on route, contamination with pathogens or toxic substances and other unforeseen events that can lead to injury, loss of life and property damage.

Thus, through the business relationships and partnerships developed, MedLife has a significant influence on working conditions in its value chain, and the double materiality analysis provides us with the necessary insight to assess the impacts and develop specific actions to ensure an ethical, safe and sustainable working environment.

The Group operates predominantly in Romania, with a supply chain consisting mainly of national suppliers, with a small percentage of international partners. A small part of the activity is also carried out in Hungary, where there is also a local supply chain. Although the European legislative framework and specific labor regulations set strict standards for the protection of employees' rights, and Romania and Hungary are not high-risk countries, the assessments carried out in the Double materiality process highlighted the existence of potential negative impacts associated with our supply chain, mainly due to the lack of a formal *Code of Ethics and Conduct* communicated to and agreed by our suppliers.

Regarding the significant negative, actual and potential significant impacts (S13, S14, S15, S15bis, S15bis2) identified in the DMA analysis related to the sub-topics *Working Conditions* and *Other work-related rights* they are correlated with five sub-sub-topics: *Secure Employment, Adequate Wages, Health & Safety, Child Labor and Forced Labor* they generate or are likely to generate the following impacts

- *It may contribute through its business relationships to the emergence or promotion of inequality in the social protection of employees in the value chain.*
- *It can contribute through its business relations to the granting of salaries that do not exceed the minimum wage to employees in the value chain.*
- *It may contribute through its business relationships to accidents that can adversely affect the health and safety of workers in the value chain.*
- *Potential negative impact on people, generated by the Group's business relationships, as a result of insufficient communication of the Code of Conduct to suppliers and the lack of a firm commitment on their part to respect the ethical and social principles promoted by the Group.*

Labor practices that may generate social inequalities in the value chain represent a potentially significant widespread and significant potential impact on workers in the upstream supplier and downstream partner sectors of the Group. Affected areas include the production and distribution of medical equipment, medicines and sanitary supplies, as well as utilities supply and medical waste management, where employees may be exposed to wage differentials and unequal working conditions, particularly for workers employed on temporary contracts, day laborers or PFAs.

Wage practices at the level of the minimum wage in our value chain represent a widespread significant negative impact, given the structure of the Romanian labor market and the wage policies of suppliers. This impact may be systemic, influenced by remuneration practices in the production and distribution sectors, where subcontracting and outsourcing of services may contribute to low wages, especially for workers with temporary contracts, day laborers or PFAs. Areas affected include the production and distribution of medical equipment, medicines and medical supplies, as well as the provision of utilities and medical waste management, where there is a risk that some employees may be paid at the minimum level allowed by legislation, without additional benefits to ensure an adequate standard of living.

The negative impact of *Health and Safety Incidents in upstream and downstream activities* is mainly related to individual incidents, such as route accidents, injuries, loss of life or property damage, which may occur in the production and distribution of medical equipment, medicines and health supplies, and in the management of hazardous waste. The areas most at risk include the production and supply of essential goods and services, the development and implementation of medical software and applications, and the provision of utilities and services for the transportation and management of medical waste. In particular, workers involved in the handling of hazardous materials and the transportation of waste are exposed to significant risks that require stringent preventive and safety measures.

*Insufficient measures of prevention and communication of the Code of Conduct to suppliers on the prohibition of child labor and Insufficient measures of prevention and communication of the Code of Conduct to suppliers on the prohibition of forced labor* may become systemic in the absence of clear prevention and control measures. These impacts are relevant in the sectors of production and distribution of medical equipment, medicines, health consumables, as well as in the provision of utilities and medical waste management, where subcontracting of labor and lack of verification mechanisms may lead to child labor being practiced in certain regions or by suppliers that do not apply strict standards to protect the rights of employees.

MedLife did not identify any risks and opportunities associated with ESRS 2 Workers in the value chain.

## **[S2-1] - Policies related to value chain workers**

### **Group Sustainability Policy**

Group's Sustainability Policy reflects the company's commitment to provide a strategic framework for managing the economic, social and environmental impacts of the company's activities, ensuring compliance with applicable regulations and promoting good practices in the field of sustainability. Through this policy, the Group has set several key objectives for integrating sustainability into its development strategy. These include the Group aiming for a safe and fair working environment, reducing environmental impact through responsible resource management, complying with GDPR regulations and promoting ethical governance, professional development of employees through continuous training, and strengthening relationships with communities and partners through active dialog and social initiatives.

The information required by MDR-P 65 c), e) and f) is reported under section E1-2 Policies related to climate change mitigation of ESRS E1.

The Group's Sustainability Policy affirms the company's commitment to respect for human rights in the workforce, including both its own employees and all workers in the value chain. It is aligned with the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises.

In this context, *Group's Sustainability Policy* sets out clear measures to promote a safe, fair and inclusive work environment by prohibiting discrimination, forced labor, modern slavery, harassment and violence in the workplace, as well as respecting freedom of association and guaranteeing decent working conditions.

Thus, MedLife is committed to comply with national and international human rights principles and legal requirements, which include, among others, the following acts:

- Forced Labor Convention No. 29/1930;
- Convention 87/1948 on Freedom of Association;
- Convention No 98/1949 on the Right to Organize and Collective Bargaining;
- Equal Remuneration Convention No 100/1951;
- Convention No 105/1957 on the Abolition of Forced Labor;
- Discrimination (Employment and Occupation) Convention No 111/1958;
- Convention No 138/1973 concerning Minimum Age;
- Convention 182/1999 on the Worst Forms of Child Labor.

The Group strongly denounces all forms of forced or compulsory labor, child labor, discrimination, modern slavery, harassment and violence in the workplace. In addition, MedLife, through this policy, pledges to

work only with suppliers who comply with the same principles and regulations. Furthermore, MedLife is guided by the principle of fair and equitable remuneration, guaranteeing equal pay for work of equal value. The policy recognizes and respects freedom of association, giving employees the right to join unions and participate in collective bargaining. MedLife also excludes any form of forced or compulsory labor, and the work of employees and value chain workers is carried out exclusively on the basis of individual employment contracts, in compliance with the law prohibiting the employment of minors under the legal age.

MedLife aligns this policy with international sustainability standards, including the General Data Protection Regulation (GDPR), the UN Guiding Principles on Business and Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work.

In setting its policy, MedLife integrates the interests of its stakeholders in a balanced way, taking into account issues such as occupational health and safety, pay equity, professional development and the protection of their rights. Feedback received from employees, along with other stakeholders, can influence the adjustment of the sustainability policy to address emerging concerns and changing expectations, ensuring a safe, fair and motivating work environment.

The Sustainability Policy promotes the following principles:

- equal rights and equal opportunities in the workplace for both women and men, based on professional competences and the fulfillment of internal requirements - hiring, internal recruitment, promotion, pay, benefits, access to managerial positions, etc., - regardless of ethnic origin, gender, race, religion, age, disability, sexual orientation, political opinion, trade union membership or other similar;
- equal treatment of all employees in employment relations, in the sense of ensuring non-discriminatory access to certain rights such as free choice or exercise of a profession or activity, employment on all vacant posts, equal pay for work of equal value, evaluation of performance at work, conditions of employment that comply with health and safety at work, promotion at any hierarchical and professional level, vocational training programs, career counseling;
- respect for human dignity, all persons employed within the Group having the right to a working environment free from violence and harassment, being guaranteed the free and full development of their personality, in a work culture based on mutual respect and dignity.
- "Zero risk" principle as a fundamental principle of the internal health and safety management system to control the risk of accidents in the workplace, to reduce risks at source and implement collective and individual protective measures, to improve well-being at work and to prevent psychosocial risks.

Currently, Group does not have formalized mechanisms for monitoring the compliance of suppliers and partners in the value chain with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises. However, MedLife aims to develop, in the future, clear processes and mechanisms for evaluating and monitoring the compliance of its partners with these international standards. This will include periodic supplier assessments and the collection of feedback from workers in the value chain to ensure adherence to ethical and social principles at all levels of the supply chain.

The Group does not currently have any other formalized policies on significant sustainability issues in relation to value chain workers, but we recognize the importance of a structured and responsible approach in this area. Within one year, MedLife aims to develop and implement a policy on social responsibility in the supply chain, setting out clear requirements for working conditions, social rights and

ethical compliance by suppliers and partners. This initiative will include the introduction of a formal Code of Conduct, communicated to and taken on by suppliers as a firm commitment to the Group's ethical and sustainability standards.

#### **[S2-2] - Processes for engaging with value chain workers about impacts**

The Group recognizes the importance of integrating the perspectives of value chain workers into the decision-making process for managing actual and potential impacts on them. Although there is currently no formalized internal mechanism for collaboration, MedLife has carried out a structured process of consultation with suppliers and value chain partners as part of the Double materiality analysis. The lack of a specific framework is driven by the complexity of our value chain and the diversity of suppliers in the supply chain, as well as the need for detailed analysis to identify the most effective mechanisms for dialog and collaboration.

To this end, MedLife aims to initiate a process to establish clear mechanisms to engage with value chain workers and their representatives in order to better understand the perspectives, challenges and risks they face. This will include developing channels of communication, integrating social criteria into supplier relations and developing codes of conduct in line with international principles on labor rights and sustainability.

#### **[S2-3] - Processes to remediate negative impacts and channels for value chain workers to raise concerns**

Our Group makes available to everyone, including value chain workers, the Group *Protection of Public Interest Whistleblowers Policy*, through which they can raise their concerns or needs directly to the company, ensuring that they are properly considered and addressed. It aims to encourage reporting of violations of the law by employees and other stakeholders, ensuring that whistleblowers are protected from retaliation. This policy is published on the Group's official website and is available to employees, suppliers, contractors and other stakeholders.

Alternatively, reports can also be made through external channels, namely to the competent authorities, such as the National Integrity Agency (ANI) or other public institutions with relevant powers

Currently, the Group does not have a formalized assessment of the level of knowledge and confidence of value chain workers in the structures and mechanisms available for voicing their concerns or needs.

During 2024, no referrals were received from value chain workers through existing reporting mechanisms, but in the coming period, we plan to explore the possibility of implementing mechanisms to monitor utilization and trust in these structures through regular consultations with our providers and partners, as well as improving proactive communication about available rights and protections.

#### **[S2-4] - Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action**

At present, the Group has not yet implemented specific actions for all the sustainability topics identified as material in the double materiality process, but we recognize their importance and we are committed to integrating them into our future strategies. The lack of concrete actions so far is due to several key factors. First, the double materiality process has been an essential analytical and diagnostic step, allowing a thorough understanding of the impacts, risks and opportunities associated with our activities and value



chain. This assessment highlighted priority areas that require immediate action, but also issues that, while relevant, require a broader strategic approach and additional resources to manage effectively.

IRO No	Actions	Target as time	Aim of the action	Status	Budget	Efficiency
S13	Establish clear contractual clauses on social protection with selected suppliers and partners	Continuous	Tier 1	Planned	To be identified	Operational indicators: % selected suppliers who signed / total selected suppliers and number of incidents reported
	Create a feedback mechanism where employees can report violations of social rights.	Continuous	Tier 1	Planned	To be identified	
S14	Establish clear contractual minimum wage clauses with selected suppliers and partners	Continuous	Tier 1	Planned	To be identified	Operational indicators: % selected suppliers who signed / total selected suppliers and number of incidents reported
	Create a feedback mechanism where employees can report violations of social rights.	Continuous	Tier 1	Planned	To be identified	
S15	Qualification of selected suppliers based on the existence of an SSM management system	Continuous	Tier 1	Planned	To be identified	Operational indicators: % selected suppliers that have ISO / total selected suppliers and number of reported incidents
	Create a feedback mechanism where employees can report violations of social rights.	Continuous	Tier 1	Planned	To be identified	
S15 Bis1	Implement and communicate a Code of Conduct - as a contractual clause for selected suppliers	Continuous	Tier 1	Planned	To be identified	Operational indicators: % selected suppliers who signed / total selected suppliers and number of incidents reported
	Create a feedback mechanism where employees can report violations of social rights.	Continuous	Tier 1	Planned	To be identified	
S15 Bis2	Implement and communicate a Code of Conduct - as a contractual clause for selected suppliers	Continuous	Tier 1	Planned	To be identified	Operational indicators: % selected suppliers who signed / total selected suppliers and number of incidents reported
	Create a feedback mechanism where employees can report violations of social rights.	Continuous	Tier 1	Planned	To be identified	

*\*Resources allocated - no dedicated financial resources have been allocated, as the measures implemented are part of the Group's ongoing operations and are integrated into existing organizational and compliance processes.*

In the coming period we intend to develop and formalize specific actions for sustainability issues that require further intervention, with the aim of integrating them into a coherent strategy based on international standards and industry best practices. This will include the definition of a formalized Code of Conduct for suppliers imposing clear criteria on the respect of labor rights, the establishment of clear criteria for the selection of partners, the identification of suppliers considered strategic, the adoption of standard contracts and the establishment of monitoring mechanisms and active stakeholder consultation, thus ensuring a structured and accountable approach.

#### **[S2-5] - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities**

The targets set so far at the Group level are not specifically aligned to all the significant sustainability topics identified in the Double Materiality process. They also do not fully meet the requirements of the ESRS to define measurable, result-oriented objectives with a clear time horizon. For this reason, we do not include such specific targets in our current reporting. However, we recognize the importance of setting clearly defined, measurable and ESRS-aligned objectives to monitor sustainability performance. In the coming period, we aim to develop a structured framework for setting targets so that they are relevant, measurable and integrated into our development and reporting strategies.

## IX. ESRS S3 - AFFECTED COMMUNITIES

### [S3. SBM3] - Material impacts, risks and opportunities and their interaction with strategy and business model

The following table lists the impacts, risks and opportunities related to the Affected Communities that MedLife has identified and assessed as significant in its DMA (DMA), including the categories of affected stakeholders and the business line impacted. This disclosure should be read in conjunction with ESRS 2, in particular IRO-1 and SBM-3, in accordance with the CSRD. Abbreviations (if applicable) are in Appendix 1.

*Table on impacts, risks and opportunities related to affected communities ESRS S3*

#	Short description	Stakeholders					Business lines				
		Employees & Workers	Customers	Patients	Suppliers	Community	Upstream		Downstream		
							Corporate	Clinics	Laboratories	Hospital	Pharmacies
											Other
S18	Contributing to the development of local communities	✓			✓			✓			
S19	Contributing to economic growth and improving people's living standards	✓			✓	✓	✓	✓	✓	✓	✓
S16	Potential incidents that may affect communities in close proximity to hospitals				✓	✓				✓	
S17	Disrupting the life of communities in the vicinity of medical facilities					✓		✓		✓	

Regarding the positive impacts (S18 and S19) identified in the DMA analysis related to the sub-topic *Economic, social and cultural rights of communities*, at Group level they are correlated with two specific sub-sub-topics of the Group: *Market presence* and *Economic value generated and distributed*. These impacts relate to two contributions that are entity specific:

- *making a positive contribution to the economic development of local communities by creating jobs and employing local manpower to carry out their activities;*
- *contribution to economic growth and to improving the standard of living of the population as a whole through the economic value generated and distributed, including at local level, through its own operations.*

Both positive impacts generated derive directly from Group's expansion strategy and business model. As the Group has expanded its healthcare network in recent years not only through acquisitions, but also through the investments it has made, it has generated within its own operations an increase in the number of new jobs nationally and internationally through the hiring of medical and administrative staff. The impact is therefore a positive one for several categories of stakeholders, namely employees, workers and the community of which they are part.

At the same time, the Group plays a significant role in economic growth and improving the living standards of the population through the activities carried out within its own operations, but also at the value chain level (i.e. among the positively affected parties are its suppliers) which is developing with the Group's expansion strategy, thus generating a positive systemic impact across all its business lines, both upstream and downstream. In this way, MedLife supports local and national budgets through tax contributions, thus facilitating the financing of public infrastructure and essential services, thus improving the quality of life for the entire population.

As a private healthcare provider, we actively contribute to the well-being of society by delivering high-quality medical services that complement and alleviate the public healthcare system. By absorbing a

significant share of the demand for medical services, we reduce the pressure on public hospitals and clinics, enabling patients to access timely and efficient medical care.

The communities that are positively affected by these impacts are those that live or work in close proximity to MedLife sites, as well as more distant communities located in the same county that benefit from MedLife's job creation. Another beneficiary of the Group's positive impacts is the communities along the value chain. Through payments made to its suppliers, as well as contributions in the form of taxes and fees, MedLife supports economic development along its entire value chain, facilitating the creation of new jobs and sustaining living standards in these communities. There are no indigenous populations in the areas where MedLife operates.

Two negative impacts (S16 and S17) related to the sub-topic *Security Impacts* were identified from the DMA analysis at Group level.

- *Possible negative effects caused by explosions and fires resulting from improper use of equipment, flammable substances or electrical short circuits in medical facilities;*
- *Generation of discomfort and disruption to the daily life of the community due to noise generated by cooling plant, construction or landscaping activities at the owned units.*

The Group's strategy and business model are continually being adjusted to accommodate and mitigate identified potential negative impacts. The communities potentially affected by these negative impacts include residents and workers in residential areas in close proximity to MedLife's clinics, hospitals and other medical facilities.

This impact may occur due to the risk of fires caused by flammable equipment and substances in hospitals, including oxygen facilities, improper use of equipment or electrical short circuits in medical facilities and are not widespread impacts, which may materialize only in certain lines of business. We are also aware that certain vulnerable groups, such as the elderly or those with pre-existing medical conditions, may be more exposed to the impacts identified, but we have not yet fully assessed these in terms of the specific characteristics of the communities in the vicinity of the sites that may generate such impacts. However, we will continue to track these issues and integrate them into our impact planning and management processes in the future.

The Group's DMA analysis did not reveal any significant opportunities or risks related to the affected communities.

### **[S3-1] - Policies related to affected communities**

#### **MedLife Sustainability Policy**

**MedLife's Sustainability Policy** addresses among other things the impacts on all communities outlined in section S3-SBM3, emphasizing positive social impacts such as creating opportunities for community development and ensuring equitable access to health and well-being services.

This policy includes aspects of identifying, assessing, managing and remedying significant impacts on the sustainability criteria, as well as addressing related risks and opportunities. It sets out MedLife's commitments to creating a healthy and equitable environment and for the community in which it operates.

In setting the policy, particular importance has been given to the interests of all stakeholders, including MedLife communities, ensuring transparency in communicating with patients, employees, authorities, the community and other relevant parties. Their interests are known to MedLife both as a result of direct outreach through events, projects and the application of questionnaires in previous years, and through the available referral channels, which allow for the transmission of their concerns and expectations. However, no formal stakeholder consultation process was carried out for the development of this policy.

The information required by MDR-P 65 a) regarding the monitoring mechanism, c), e), and f) is reported under section E1-2 Policies related to climate change mitigation within the ESRS E1.

Although MedLife does not have a specific policy dedicated to human rights for affected communities, the Group is actively committed, through its Sustainability Policy, to promoting respect for human rights. This commitment is emphasized in the Sustainability Policy and extends to all the Group's policies and processes that deal with social issues (those that concern its own employees, value chain employees, communities, customers, patients, etc.). The Group's activities are based on principles that require respect for the human rights of the affected communities. The Group recognizes and respects:

- Fundamental principles of the UN Guiding Principles on Business and Human Rights;
- ILO Declaration on Fundamental Principles and Rights at Work;
- Universal Declaration of Human Rights;
- The OECD Guidelines for Multinational Enterprises, thus ensuring that employees' rights are respected, protected and remedied, freedom of association is promoted, any form of forced or discriminatory labor is eliminated, and a fair and safe working environment is guaranteed.

More information on this policy is available in section S1-1 of ESRS S1.

In the reporting year, the Group did not identify any instances of non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises involving affected communities, either in its own operations or in the value chain. The Group remains committed to these international principles and continues to monitor the impact of its activities on communities through existing dialogue and reporting mechanisms.

It should also be noted that the Group does not operate on territories owned or leased to indigenous peoples, and consequently has not prepared a policy to prevent and address impacts on indigenous peoples.

Dialogue with communities - be they individuals or organizations - allows the Group to adjust its strategy to civil society concerns, enrich its vision and structure a process of engagement. Thus, the Group is committed to listening to the needs and expectations of stakeholders and to conducting this dialogue with integrity, in an open and transparent manner, but does not have a formal process for consulting affected communities in decision-making or a structured mechanism for monitoring the impact on them.

#### ***Policy on safety and health at work (CSSM Regulation)***

**The Occupational Safety and Health Policy (OHSMS Regulation)** detailed in section S1-1 of ESRS S1 is primarily aimed at protecting employees in the workplace, but through the preventive and protective measures put in place, it also has an indirect impact on the communities in the vicinity of Group sites. While the policy does not directly address negative impacts on these communities, such as disruption to daily life due to potential incidents or safety risks, through the prevention of workplace accidents and the management of occupational risks, it does help to reduce impacts that could indirectly affect these communities. Thus, although there is no separate policy that focuses solely on impacts on external communities, the CSSM policy indirectly contributes to managing these impacts by preventing workplace accidents and providing a safer working environment, which can lead to a reduction in potential negative impacts on communities in the vicinity of its sites."

#### **[S3-2] - Processes for engaging with affected communities about impacts**

The Group maintains an ongoing dialog (formal and informal) with local authorities, employees, community representatives and other relevant stakeholders, including customers, suppliers, investors, academics and representatives from other relevant industries. These dialogs provide the Group with

insight into community expectations regarding the impact of its own and/or value chain operations and facilitate the identification of measures needed to build and maintain the trust of affected communities.

The CEO and at the same time Chairman of the Board of Directors is the highest position and role within the Group, responsible for ensuring collaboration with affected communities on impacts and for integrating the results of this collaboration into the organization's strategic approach.

The group is responsive to stakeholder questions and concerns, initiates social or specialized dialogues and participates in consultations with affected parties when a new consultation process is initiated. Dialogue with the community may involve and is not limited to: receipt of referrals and complaints, petitions, sponsorships, requests for material assistance, requests for employment, initiatives and partnerships in or with the community and/or relevant community representatives, health improvement programs, and facilitation of volunteer and internship activities.

The Group has received various requests from local communities, which it has successfully handled without complaints. In 2024, the Group received only one claim from affected communities related to the parking places. To date, the dialog with the local community has taken all forms: participation, consultation or information, with no set frequency. Examples of dialog with local communities initiated as appropriate are:

- in the situations mentioned/required under the applicable legislation - certain investment projects promoted and implemented by MedLife have been subject to public debate - in accordance with the applicable legislation;
- in situations where they have been requested by the community in relation to certain interests, concerns and/or needs expressed and requested by the community through written requests or hearings;
- in decision-making or advisory bodies at local or county level, including MedLife representatives;
- in partnerships with various associations and foundations, decentralized public institutions for the organization of actions of public interest;
- through local and national media - important MedLife events are popularized in the local community and campaigns with national impact are communicated as such.

As part of the DMA process, the Group has initiated a consultation process with stakeholders, including community representatives in their capacity as affected stakeholders, in order to identify and validate actual and potential impacts in the areas of concern, in line with ESRS sustainability reporting standards.

There are also tools in place at MedLife to gather information on local communities' concerns about the Group's operations so that they are managed in a transparent and accountable manner. Thus, there are external communication channels that are published on MedLife's website in the contact section: *Satisfaction Questionnaire* and *Integrity Whistleblower Form*, through which complaints and complaints can also be submitted by any interested party by following the steps outlined in each of the forms. Through these easily accessible communication tools, freedom of expression of opinion is promoted and encouraged, in particular for clients/patients, but they are available to all stakeholders, thus including communities. The implementation of appropriate and accessible channels for the transmission of complaints and grievances is thus ensured, thus facilitating open and constructive communication with a view to continuously improving the Group's operations.

Submission and registration of complaints can be made in writing, by telephone, electronically or through MedLife's website. Also in 2024, there have been no reported cases of non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and

Rights at Work or the OECD Guidelines for Multinational Enterprises Involving Affected Communities in its operations

However, the Group does not currently have a formal process in place to evaluate the effectiveness of its engagement with affected communities, but is constantly monitoring the feedback received through existing communication and referral channels to improve interaction with them. The Group does not have an overall formalized process for consultation with affected communities, but is in the process of improving its mechanisms for dialogue and monitoring community impact in line with the requirements of the sustainability standards. The Group has also not implemented a dedicated process for obtaining specific perspectives from vulnerable or marginalized communities, but in its public health initiatives and partnerships with local organizations, it responds to the expressed needs of diverse groups, including disadvantaged groups. More information on the Group's initiatives for different social groups is mentioned in section S4-4 of ESRS S4. The Group does not operate in territories owned by or leased to indigenous peoples and therefore has not developed a specific consultation process with indigenous peoples.

### **[S3-3] - Processes to remediate negative impacts and channels for affected communities to raise concerns**

Within MedLife, there are several channels through which stakeholders, including affected communities, can voice their concerns, which demonstrates MedLife's commitment to providing them with effective and easily accessible means to submit complaints and/or complaints or other requests, as well as MedLife's concern to identify and address the negative impacts that may result from such reports.

In conformity with the Protection Public Interest of Whistleblower Policy, MedLife considers the *Integrity Whistleblower Form*, available on the company's website, to be the primary formal channel in the process of remedying potential negative impacts on communities. Through it, complaints and referrals, reporting of irregularities or unethical or illegal practices may be submitted by any interested party by following the steps outlined in this form.

The whistleblowing reports received are recorded in an electronic register which includes information such as the date of receipt of the report, the full name of the whistleblower and the contact details of the whistleblower, if known, the subject of the report and the proposed method of resolution. With regard to the resolution process, a designated independent external team will analyze the report and make proposals for follow-up action to MedLife's relevant persons. To the extent that the referral relates to matters that are significant to MedLife's business, the Board of Directors shall be informed immediately. No later than three months after acknowledgement of receipt of the report, the whistleblower will be informed by the designated team of the status of the follow-up and subsequently whenever there are any developments in the follow-up, unless the information could jeopardize the follow-up. Following the investigation, if the report is substantiated, MedLife's management may take actions such as: disciplinary investigation, refer the matter to criminal investigative authorities, or improve MedLife's policies and regulations to prevent recurrence of the risks and misconduct. Subsequently, depending on the outcome of the investigation, the designated person will prepare a report on whether the report has been resolved or closed and communicate it to the whistleblower. The policy also covers when the report is closed for just cause or what the rights of the persons concerned by the report are. Special care is taken to protect whistleblowers from retaliation and their confidentiality is guaranteed. MedLife prohibits any form of retaliation, such as suspension of employment, salary reduction, harassment or discrimination.

In addition to this communication channel, another form called *Satisfaction Questionnaire* is also available and easily accessible on the MedLife website, in the same *Contact* section. This form is used to submit evaluations on MedLife services, but there are also fields where additional information can be included in addition to the predefined questions of this questionnaire. This form is available to the public, including affected communities or their representatives, and is easy to access. Also, as mentioned in the previous



section, other submissions and complaints can be made in writing, by telephone, electronically or by accessing the MedLife website. With the exception of the Whistleblower form, the resolution mechanisms associated with each of the concern submission tools are not formalized in formal documents.

MedLife encourages its business partners to implement similar mechanisms for reporting and remedying negative impacts on communities, but there is currently no formalized process for the Group to monitor these issues across the value chain. MedLife intends to explore future methods for evaluating the level of awareness and trust of affected communities in these mechanisms, including the efficiency of these channels through periodic consultations, surveys, or other forms of structured feedback.

**[S3-4] - Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions**

The Group does not currently have a policy specifically dedicated to affected communities, which means that a comprehensive action plan to achieve its objectives in this area has not yet been established. However, this document provides information on actions of a general nature that the Group is implementing in relation to its general occupational health and safety policies (CSSM Regulation) and other risk prevention measures. These actions are designed to address, indirectly, some of the risks that may affect the communities in the vicinity of its establishments, helping to reduce potential negative impacts on them.

The Group has implemented and continues to improve strict safety measures to prevent explosion and fire risks. These measures include:

- Regular training and instruction of medical and technical staff on the correct use and storage of flammable substances and handling of electrical equipment.
- Preventive maintenance and regular inspections of electrical installations and medical equipment to reduce the risk of short circuits and other malfunctions.
- Implementation of a modern fire detection and extinguishing system, including smoke detectors and automatic sprinklers, which are regularly checked.
- Work with local authorities and emergency services to ensure a rapid response in the event of an incident and organize regular evacuation drills.
- Updating and compliance with current rules and regulations on fire safety and handling of hazardous substances.

The Group has not recorded any current negative impacts, but is prepared to take action to remedy them by:

- Immediate assessment of the damage and the causes of the incident, with the support of experts and competent authorities.
- Provide assistance and support to the affected community, including free medical services for those injured or indirectly affected.
- Implement immediate corrective measures to prevent recurrence, such as reviewing safety procedures and intensifying staff training.
- Transparency and active communication with the public and authorities on measures taken and future prevention plans.
- Provide compensation or material support to affected persons, where necessary and in accordance with applicable regulations.

By expanding its geographic presence, MedLife is opening clinics and medical centers in several urban localities in various counties of the country, thus facilitating access to healthcare services for people in neighboring rural areas who traditionally had limited access to medical services, requiring them to travel to the big cities to receive them. The Group's expansion process reduces the distance that patients in

these areas have to travel to reach a clinic or hospital, thus facilitating their access to quality and diversified healthcare. In addition, by offering such varied and high-quality healthcare services in these areas, MedLife contributes to improving the health and well-being of rural communities, reducing the disparities in access to healthcare services between urban and rural areas. This increased accessibility to healthcare services for patients in rural and remote areas, as well as for other vulnerable groups, promotes preventive care and health education and is a real pillar to support the development and prosperity of local communities by ensuring a healthier and therefore more productive population, thus having a direct impact on improving their quality of life.

As for investments in local communities, according to internal procedures, such requests are reviewed and approved by the company's nominated committees. Involvement in the local community is carried out through several methods, namely: free investigative or specialized campaigns on specific health topics, charitable contributions, donations, earmarked funds for local community needs (social, medical, educational, sports), etc.

Partnerships are also established with various local educational institutions (high schools, vocational schools and universities) to facilitate internships and fact-finding visits for students and pupils. For example, MedLife collaborates with institutions such as the University of Medicine and Pharmacy "Carol Davila" in Bucharest and other prestigious universities to support the professional training of future specialists.

#### **[S3-5] - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities**

To date, the Group has not formally committed to defining medium and long term sustainability targets aimed at managing negative impacts or promoting positive impacts generated from the relationship with communities.

By extension, the short-term (i.e. annual) targets related to entity-specific positive impacts can be considered as those financial values reported for the coming year in the Group's consolidated budget (economic value generated, value of salaries and social contributions, etc.).

The Group intends to avoid any significant negative impacts on communities and this can be considered as its short-, medium- and long-term target.

#### **[S3] - Presentation of Group specific information**

As presented above in section S3-SBM3, following the double materiality process, two impacts - S18 and S19 - were identified at Group level, which were associated with different sub-sub-topics but as part of the sub-topics *Economic, social and cultural rights of communities: Market Presence and Direct economic value generated and distributed*.

#### ***Economic value generated and distributed (GRI Standards)***

*Table on economic value generated and distributed*

<b>GRI 201-1 Economic value generated and distributed</b>	<b>2024</b>
Economic value generated (kRON)	2,718,387
Economic value distributed (kRON)	1,483,392
Economic value retained (kRON)	1,234,995

#### Methodology and significant assumptions

The Direct Economic Value Generated and Distributed (EVG&D) is calculated on an accrual basis as required by GRI 201-1. The "economic value generated" component includes total reported revenues, and the "economic value distributed" includes operating costs, employee salaries and benefits, payments to capital providers, taxes paid to government, and community investment. 'Economic value retained' is determined by the difference between economic value generated and economic value distributed. Where some data are presented on a cash basis, this is duly justified.

The financial data used to calculate EVG&D are taken from the Group's audited financial statements. Currently, there is no specific validation of this metric by an external body other than the financial auditor reviewing the Group's financial statements.

The metric is called "Economic Value Generated and Distributed" (EVG&D), in accordance with GRI 201-1, and reflects the Group's economic impact on its stakeholders through the distribution of revenues to different categories of beneficiaries. The reported values are expressed in the Group's presentation currency, i.e. in RON, thus ensuring consistency and comparability of financial data.

*Table on the proportion of management employed in the local community*

<b>202-2 Proportion of management employed from the community</b>	<b>UM</b>	<b>2024</b>
202-2-a Proportion of management employed from the local community	%	100%

Management employed in the local community includes those individuals who are domiciled in the same county as the companies' operations. Within this metric, the Group has included Level 1 and Level 2 senior management.

## X. ESRS S4 - CONSUMERS AND END-USERS

### [S4.SBM-3] - Material impacts, risks and opportunities and their interaction with strategy and business mode

The actual and potential impacts on consumers and end-users are intrinsically linked to our strategy and business model, determining both the directions of development and the mechanisms by which we ensure that the services we provide meet the highest standards of quality and safety. These impacts derive from our business model, but also continuously influence its adaptation through initiatives designed to mitigate risks and maximize opportunities.

We are constantly adapting our business model to meet both regulatory requirements and rising consumer expectations, which requires a dynamic and excellence-oriented approach. Thus, by integrating the identified impacts into our growth strategy, we ensure that MedLife's services remain accessible, safe and tailored to the diverse needs of patients.

The relationship between the significant risks and opportunities arising from consumer impacts and dependencies and our business model is grounded in the need to balance managing operational challenges with harnessing the potential for sustainable growth. Identified risks, such as vulnerabilities related to patient data protection or the potential impact of antimicrobial resistance on reputation and medical safety, require rigorous compliance and prevention measures. These risks are managed by strategically integrating specific regulations into our operational processes and by adopting advanced technological solutions that ensure both information security and optimization of healthcare. On the other hand, the opportunities arising from consumer impacts are integrated into our growth strategy through targeted investments and by continuously adapting our business model to the evolving needs of patients.

The following table lists the impacts, risks and opportunities related to consumers and end-users (referred to herein as "patients and customers") that MedLife has identified and assessed as significant in its DMA (DMA), including the categories of affected stakeholders and the business line impacted. This disclosure should be read in conjunction with ESRS 2, in particular IRO-1 and SBM-3, in accordance with the CSRD. Abbreviations (if applicable) are in Appendix 1.

*Table on impacts, risks and opportunities related to consumers and end-users ESRS E4*

#	Short description	Stakeholders					Business lines				
		Employees & Workers	Customers	Patients	Suppliers	Community	Upstream	Corporate	Clinics	Laboratories	Downstream
S21	Access to quality information about the healthcare services offered by the Group	✓	✓					✓	✓	✓	✓
S21a	Freedom of expression through appropriate channels for complaints	✓	✓					✓	✓	✓	✓
S20	Protection of patients' personal data	✓	✓					✓	✓	✓	✓
RO24	Fines for security breaches in the management of patients' and clients' personal data							✓	✓	✓	✓
S29	Access to healthcare for patients in rural and remote areas and other vulnerable groups	✓	✓					✓	✓	✓	✓
S28	Increasing access to health services for the community as a result of organic development	✓	✓					✓	✓	✓	✓
S27	Social inclusion of low-income patients	✓	✓					✓	✓	✓	✓
RO29	Increasing the number of low-income patients by offering affordable services							✓			
RO31	Increasing access to healthcare through investment in health infrastructure and national expansion							✓	✓	✓	
S26	Improving the experience of children's patients through regular training for nurses		✓					✓	✓	✓	
S22	Potential medical errors or negligence.	✓	✓					✓	✓	✓	✓
S23	Potential contribution to the development of antimicrobial resistance and nosocomial infections	✓	✓					✓	✓	✓	
S24	Potential health and safety incidents that may affect patients	✓	✓					✓	✓	✓	
S25	Potential violations of children's rights		✓					✓	✓	✓	
RO26	Antimicrobial resistance and the impact on hospital reputation.							✓	✓	✓	

As regards the positive impacts (S21 and S21 bis) identified in the DMA analysis related to the sub-topic Impacts related to information for consumers and/or end-users, at Group level they are correlated with two sub-sub-topics: Access to Information and Freedom of Expression. These impacts relate to:

- *Increasing the level of information to patients and clients about available healthcare services and treatment options, providing varied and comprehensive sources of information about the services offered.*
- *Positive impact on clients and patients generated by promoting freedom of expression, by providing appropriate channels for complaints.*

The Group, through its business, is committed to informing and educating its patients and customers through a wide range of communication sources and channels, ensuring that they have access to accurate, up-to-date and easy-to-understand information on healthcare services and treatment options. This approach not only supports patients in making informed decisions about their health, but also helps to create an environment of trust and transparency. The means of information are: information provided by doctors during consultations and investigations, written consents, receptionists and nurses, website and platform Doctor's Advice, articles for patient health education, etc.

The promotion of freedom of expression of opinion for clients and patients is ensured by implementing appropriate and accessible channels for submitting complaints, thus facilitating open and constructive communication in order to continuously improve the services offered.

The positive impacts (S27, S28 and S29) identified from the DMA analysis related to the sub-topic social inclusion of consumers and/or end-users, at Group level these are correlated with two sub-sub-topics: Non-Discrimination and Access to products and services. These impacts relate to:

- *Facilitating access to the Group's healthcare services for low-income patients, ensuring that they have access to quality health care without being discriminated against or marginalized on financial grounds.*
- *Increasing access to healthcare services for the community, through the Group's investment in health infrastructure, work to expand its national presence and provide quality services*
- *Increase accessibility to healthcare services for patients in rural and remote areas and other vulnerable groups and promote preventive care and health education.*

MedLife offers a variety of options for low-income patients, including clinics under the Sfânta Maria brand umbrella, where rates are more affordable. This enables these patients to benefit from quality care at lower costs. Also, through its participation in the national health insurance system, MedLife provides services that are subsidized by the state budget for insured patients, ensuring their access to medical care without being affected by their limited financial resources. According to, the 2024 Annual Report, 32% of the Group's sales came from the treatment of patients insured by NHIH, which demonstrates that the medical services provided by MedLife can also be accessed by people with lower income under public health insurance. The Group's strategy is not only aimed at consolidation in large cities with over 150,000 inhabitants through the MedLife brand network, but also in medium and small cities through Sfânta Maria brand, given the large number of acquisitions in recent years.

The expansion of the Group's coverage area has enabled access to community healthcare services. The Group has also expanded its regional sales teams over the years to respond to this market. Significant investments have also been made, including the opening of the large-scale Provita-Nord hospital in Bucharest, the modernization and expansion of the Medical Park hospital, the opening of new hospitals in both Craiova and Timisoara. Advancing in the field of precision surgery, the Group has invested in surgical robots, strategically placed in different locations across the country.

By expanding its geographic presence, MedLife is opening clinics and medical centers in several medium-sized urban towns in different counties across the country, allowing easier access to the rural populations in the surrounding areas, which traditionally have more limited access to medical services, requiring transportation to the major cities. The Group's expansion process reduces the distance that patients from these areas would have to travel to reach a clinic or hospital, facilitating their access to medical care. In addition, by offering high quality and varied medical services in these areas, MedLife contributes to the

health and well-being of rural communities, reducing the disparities in access to healthcare services between urban and rural areas.

With regard to the positive impact S26, identified from the DMA analysis for the sub-topic Personal safety of consumers and/or end-users, at Group level it is correlated with the sub-sub-topic: Child Protection. This impact relates to:

- *Improving the experience of minor patients by implementing regular specific training programs for nurses.*

Minor patients represent a special category of clients and end-users of the Group. Therefore, the specific approach involves appropriate communication and interaction between nurses and child patients in order to reduce their anxiety and fear of medical treatment.

Five negative impacts (S20, S22, S23, S24 and S25) have been identified from the Group DMA analysis related to the sub-topics *Information related impacts for consumers and/or end-users* and *Personal safety of consumers and/or end-users* and are correlated with four sub-sub-themes: *Privacy, Health and Safety, Security of a Person and Child Protection*:

- *Generating potential negative impacts on patients and clients in case of cybersecurity breaches that would lead to disclosure or loss of personal data.*
- *Impact on patient health and safety due to medical errors or negligence.*
- *Impact on patients' health and safety through healthcare services with potential for the development of antimicrobial resistance and nosocomial infections.*
- *Possible negative effects caused by explosions and fires resulting from improper use of equipment, flammable substances or electrical short-circuits in medical facilities*
- *Potential violation of children's rights by failing to follow procedures for verifying parent-child relationships that could allow outsiders to gain access to medical information.*

In presenting this section, we include all consumers and end-users who are at risk of being materially affected by the activities we carry out in our own operations, including through the medical services we provide and business relationships. MedLife operates in an industry with a direct impact on patient health and safety, and our business model integrates preventive and protective mechanisms to minimize risks and maximize benefits for end users.

Our services are not inherently harmful to consumers, but potential impacts include risks associated with medical care, such as medical errors or negligence, antimicrobial resistance and healthcare-associated infections, and other health and safety incidents that may affect patients. To minimize these risks, we implement rigorous medical protocols, continuing education programs for medical staff, and quality oversight mechanisms.

Consumers and end-users of our services may be affected by issues related to the privacy of personal data, including the protection of patient data and the right to freedom of expression through appropriate channels of complaint. To this end, we adopt advanced cybersecurity measures, comply with GDPR regulations and provide patients with secure mechanisms for filing complaints and complaints.

Our patients depend on accurate and accessible information about their healthcare services and need complete transparency about treatments, costs and care options. We ensure this by providing clear and accessible information at all patient touch points, including on our digital platforms, through direct medical advice and personalized information guides.

An important category of end-users are vulnerable patients, including children and people with low incomes. Children's rights can be affected, and to improve their experience, we are implementing regular training programs for medical staff dedicated to the care of minors. In addition, we support low-income



patients' access to healthcare services and expand infrastructure to serve remote or disadvantaged communities, helping to reduce inequalities in access to health.

*The protection of patients' personal data (S20)* represents a significant systemic impact across all our facilities - clinics, laboratories, hospitals, pharmacies and corporate structures. Any security breach can affect any consumer or user of healthcare services, impacting privacy, patient trust and GDPR compliance. In this context, the protection of patient data is not only a necessity, but also a firm commitment, with cybersecurity measures being implemented in compliance with privacy regulations.

*Medical errors or negligence (S22)* can have direct effects on patients accessing services in clinics, laboratories, hospitals and pharmacies. These individual incidents can impact patients' health and create legal and reputational risks for the Group, which is why we implement medical protocols, continuously train staff and apply effective error prevention and remediation mechanisms.

*Antimicrobial resistance and healthcare-associated infections (S23)* constitute a significant risk in hospital units, affecting hospitalized patients and contributing to an increase in post-treatment complications. To effectively manage this risk the Group implements the controlled use of antibiotics, strict monitoring of nosocomial infections and the implementation of strict hygiene protocols, with a direct impact on the Group's reputation and operational efficiency.

*Health and safety incidents that may affect patients (S24)* are a key concern in our clinics, laboratories and hospitals, having a direct impact on the safety of healthcare beneficiaries. Preventive measures implemented include compliance with safety standards, investment in proper maintenance, modern infrastructure and equipment, and optimization of processes to reduce the risk of accidents or medical complications.

*Violations of children's rights (S25)* are a sensitive risk in pediatric care facilities, with clinics and laboratories directly responsible for the protection and safety of minor patients. To minimize this impact, strict child protection procedures, specialized pediatric care staff, and effective reporting and intervention mechanisms in cases of vulnerability are in place.

The analysis of significant impacts on consumers and end-users is based on a thorough understanding of how certain categories of patients may be at greater risk of harm, given the specifics of the healthcare services we provide. In doing so, we identify patient segments that require additional safeguards and service adaptations to ensure their equitable access to care and to minimize the risks associated with healthcare.

- Patients with chronic conditions and those with compromised immunity have an increased vulnerability to the risks of healthcare-associated infections and antimicrobial resistance (S23)
- In addition, children and minors are a group with special needs, exposed to risks related to children's rights in the medical environment (S25), and to ensure a proper experience for them, we have implemented training programs dedicated to medical staff (S26) and we adapt medical premises to provide them with a friendly and safe environment.
- In addition, patients from disadvantaged backgrounds and those from rural or remote areas have less access to quality health care and may have financial difficulties in obtaining necessary treatment (S27, S28, S29)
- At the same time, the protection of personal data and confidentiality of medical information remains a major concern for all categories of patients, but especially for those who require sensitive medical services, such as treatments for psychological conditions or rare chronic diseases (S20).

In analyzing significant risks and opportunities, we have assessed our impacts and dependencies on consumers and end-users, considering both internal factors and external influences. We analyzed how

patients' requirements and expectations influence our activities, as well as the impacts generated by stringent consumer protection regulations, data privacy and medical safety standards. In this sense, the risks and opportunities identified at Group level (RO24, RO26, RO29, RO31) resulting from the DMA analysis derive from all three sub-topics related to the standard and cover all categories of consumers and end-users:

- *Risks of fines in case of security breaches in the management of patients' and clients' personal data.*
- *Antimicrobial resistance risks and impact on hospitals' reputation.*
- *Increase the number of low-income patients by offering affordable services*
- *Increasing access to healthcare through investment in health infrastructure and national expansion*

In analyzing the significant risks and opportunities arising from consumer and end-user impacts and dependencies, we have identified the targeted patient groups according to their characteristics:

- Personal data protection risks (RO24) relate to all the Group's healthcare beneficiaries, given the importance of confidentiality and security of health information.
- The risk of antimicrobial resistance and the impact on hospital reputation (RO26) relates specifically to hospitalized and chronically ill patients, who are more vulnerable to healthcare-associated infections.
- In terms of opportunities, increasing access to healthcare for low-income patients (RO29) directly targets people from vulnerable socio-economic groups,
- Expansion of infrastructure and organic development of the Group (RO31) relates in particular to patients in rural or remote areas where access to services is limited.

#### [S4-1] - Policies related to consumers and end-users

##### **MedLife Sustainability Policy**

**MedLife's Sustainability Policy** addresses among others the impacts on customers and end-users presented in section S3-SBM3. This policy includes aspects of identifying, assessing, managing and remedying significant impacts on the sustainability criteria as well as addressing related risks and opportunities. It sets out MedLife's commitments to creating a healthy and equitable environment and for the customers and end-users who are beneficiaries of its services.

In setting policy, particular importance has been given to the interests of all stakeholders, including MedLife's customers and end-users, ensuring transparency in communicating with patients, employees, authorities, the community and other relevant parties. Their interests are known to MedLife both as a result of direct outreach through events, projects and the application of questionnaires in previous years, and through the available referral channels, which allow for the transmission of their concerns and expectations. However, no formal stakeholder consultation process was carried out for the development of this policy. The information required by MDR-P 65 a) regarding the monitoring mechanism, c), e) and f) is reported under section E1-2 Policies related to climate change mitigation in ESRS E1.

Although MedLife does not have a specific policy dedicated to human rights for customers and end-users, the Group is actively committed, through its Sustainability Policy, to promoting respect for human rights. This commitment is highlighted in the Sustainability Policy and extends to all Group policies and processes concerning social issues (those concerning its own employees, value chain employees, communities, customers, patients, etc.). The Group's activities are based on principles that require respect for the human rights of patients and clients. The Group recognizes and respects:

- Fundamental principles of the UN Guiding Principles on Business and Human Rights;
- ILO Declaration on Fundamental Principles and Rights at Work;

- Universal Declaration of Human Rights;
- The OECD Guidelines for Multinational Enterprises, thus ensuring that employees' rights are respected, protected and remedied, freedom of association is promoted, any form of forced or discriminatory labor is eliminated, and a fair and safe working environment is guaranteed.

More information on this policy is available in section S1-1 of ESRS S1.

Thus, MedLife is committed to comply with national and international human rights principles and legal requirements, which include, among others, the following acts:

- Forced Labor Convention No. 29/1930;
- Convention 87/1948 on Freedom of Association;
- Convention No 98/1949 on the Right to Organize and Collective Bargaining;
- Equal Remuneration Convention No 100/1951;
- Convention No 105/1957 on the Abolition of Forced Labor;
- Discrimination (Employment and Occupation) Convention No 111/1958;
- Convention No 138/1973 concerning Minimum Age;
- Convention 182/1999 on the Worst Forms of Child Labor.

In the reporting year, the Group did not identify any instances of non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises involving affected communities, either in its own operations or in the value chain. The Group remains committed to these international principles and continues to monitor the impact of its activities on communities through existing dialogue and reporting mechanisms.

The main impacts, risks or opportunities managed in the Sustainability Policy regarding patients are:

- Data privacy. The principles of the General Data Protection Regulation (GDPR) applicable to healthcare are essential to protect patient data. These principles ensure confidentiality, integrity and transparency in the management of personal data. Group fully applies the General Data Protection Regulation and has a dedicated policy in this regard. The policy covers the collection, use, storage, processing, disclosure and destruction of this information, in accordance with legal requirements and best practices in the field.
- Transparency and communication of healthcare prices. The policy covers both informing patients about the costs of procedures and how to publish information about the prices of services. MedLife implements policies and initiatives to ensure transparency in the pricing of medical procedures and to clearly communicate relevant information to patients prior to treatment.
- The access to information in line with the laws and regulations in force concerns the right to information, in an accessible language, about the diagnosis, treatment and medical progress, access to the medical file on request, the right to receive information about hospital procedures, costs of services and their rights within the medical facility, etc.
- Freedom of expression and communication is encouraged either directly to staff or through the Group's feedback mechanisms. MedLife encourages open and constructive communication, but prohibits offensive, discriminatory speech or misinformation that could affect patient safety or the integrity of the Group. MedLife provides formal channels for the submission and resolution of patient and employee complaints. All complaints are investigated in a transparent manner and responses are provided within the legal timeframe.
- Patient health and safety. In this sense, Medlife affirms its commitment to protecting the health and safety of patients by implementing a true risk management, with compliance with the rules and legislation in force and continuous focus on continuous improvement.

By the nature of its work, the focus of existing policies and procedures targets the sub-topics: *Access to Quality Healthcare services Information and Personal Safety of Consumers and/or End Users.*

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### ***Operational procedure for obtaining informed consent***

**The operational procedure on obtaining informed consent** aims to ensure that patients are correctly informed about the investigations, treatments and medical interventions they are about to undergo, and to obtain their consent in a conscious and assumed manner (S21). The main objectives of the policy are geared towards ensuring that patients' rights are respected and promoting effective communication between patients and healthcare professionals. To this end, the policy aims to provide clear, accessible and detailed information on the nature and purpose of investigations, the benefits and risks of treatments and the alternative options available, to protect vulnerable groups and to ensure rigorous documentation of informed consent.

The procedure is applicable to all patients accessing MedLife medical services, regardless of whether they are hospitalized as day inpatient or as inpatient. It is also implemented in all MedLife facilities. However, there are also exceptional cases where the policy cannot be applied, such as emergency situations where medical intervention is necessary to save the patient's life and prior consent cannot be obtained. Also, patients who expressly refuse to be informed about their medical condition, as they are entitled to be by law, are exempted from this procedure.

The informed consent procedure covers several relevant aspects of ESRS S4 - Consumers and End-users, addressing both the protection of patients' personal data (S20, RO24) and their access to essential information about healthcare services.

As well as the Sustainability Policy, the Informed Consent Procedure covers: impacts and risks related to data confidentiality, access to information and freedom of expression as patients have the right to refuse certain treatments and to express their opinion about the medical act. At the same time, the procedure also addresses the personal safety of minors by following strict procedures when dealing with minors, and the policy clarifies when the consent of their legal representatives is required.

The implementation of this procedure is the responsibility of the General Manager, the Medical Director, the Medical Directors, the senior doctors in charge of the wards/departments, as well as the senior nurses and medical registrars. To ensure correct implementation, the procedure is communicated to medical staff through internal mailing lists and all doctors, nurses and medical registrars are regularly trained on their obligations.

The procedure is developed in accordance with national legislative regulations, including Law 95/2006 on Health Care Reform, Law 46/2003 on Patient's Rights, Order 1410/2016 on the Implementing Rules of the Patient's Rights Law and Order 1411/2016 on Emergency Healthcare. It also complies with the international rules on the civil liability of medical personnel, in accordance with Law 95/2006.

### ***Operational procedure for the judicious use of antibiotics***

**The operational procedure on the judicious use of antibiotics** is mainly aimed at regulating and optimizing the process of prescribing and administering antibiotics in the Group's health units (S23, RO26). It aims to prevent the inappropriate use of antimicrobial treatments, reduce the risk of bacterial resistance and limit healthcare-associated infections. Through the implementation of rigorous antibiotic therapy practices, MedLife aims to improve patient prognosis, reduce the length of hospitalization and minimize healthcare costs without compromising the quality of care.

The main objectives of the procedure are oriented towards ensuring responsible and effective use of antibiotics by implementing mechanisms to monitor and control their prescription. Priorities include the promotion of strict protocols for the use of antibiotics in the treatment of infections and perioperative prophylaxis, the reduction of unwarranted antibiotic consumption and the implementation of preventive measures to limit antimicrobial resistance. The procedure also foresees the creation of an internal regulatory framework to allow for the endorsement of the use of reserve and last resort antibiotics.

This procedure addresses the significant risks associated with the inappropriate use of antibiotics, which derive directly from the specifics of healthcare work and infection management in healthcare facilities. The main risks and impacts covered are *Risks related to antimicrobial resistance and the impact on the reputation of hospitals, Potential medical errors or negligence, and Potential contribution to the development of antimicrobial resistance and infections*. The procedure aims to reduce the incidence of prescribing errors, limit the inappropriate use of antibiotics and prevent the development of healthcare-associated infections.

The procedure is applied in all MedLife hospitals and outpatient departments and covers all doctors, nurses and staff involved in prescribing and administering antibiotics, ensuring rigorous control over their use. The responsibility for implementing the procedure lies with the Group's medical management, managed by the Health and Operations Director who coordinates its application, monitors compliance with internal and national regulations and ensures that the measures implemented contribute to achieving the objectives set.

In applying the procedure, MedLife aligns with relevant national and international regulations and standards for the control of antibiotic use and prevention of antimicrobial resistance. These include Law 185/2017 on quality assurance in the healthcare system, Law 95/2006 on healthcare reform, as well as Law 3/2021 and HG 1005/2023, which regulate the prevention and control of healthcare-associated infections. Also, to ensure compliance with international practices, MedLife follows World Health Organization (WHO) standards, European Union guidelines and the recommendations of the National Institute of Public Health.

To ensure effective implementation, the procedure is communicated and made available to all relevant departments and wards in MedLife units according to an internal distribution list. Compliance with the procedure is monitored on a semi-annual basis by assessing antibiotic consumption and the incidence of healthcare associated infections.

#### **Operational procedure perioperative antibiotic prophylaxis**

**The operational procedure Perioperative Antibiotic Prophylaxis** aims primarily to reduce the risk of postoperative infections through the rational use of antibiotics in surgery in MedLife units (S23, RO26). It aims to decrease the morbidity associated with surgical infections, reduce the overuse or inappropriate use of antibiotics, limit the emergence of bacterial resistance and prevent healthcare associated infections.

This procedure aims to implement a rigorous protocol for the use of antibiotics in perioperative prophylaxis, with the main objective of optimizing the use of antimicrobials to prevent infections and minimize the development of bacterial resistance. Its objectives include applying strict criteria for selecting patients requiring antibiotic prophylaxis, determining the type of antibiotics used according to the specifics of the surgical intervention and monitoring their effectiveness.

The procedure covers several significant impacts and risks identified, such as *risks related to antimicrobial resistance, potential medical errors or negligence, potential contribution to the development of antimicrobial resistance and infections*.

The procedure applies to all wards and surgical departments in MedLife hospitals, according to the internal mailing list. It covers surgeries requiring antibiotic prophylaxis, taking into account the type of surgery, the microorganisms involved and the patient's risk factors. The protocol also includes specific measures for patients with chronic conditions, immunosuppressed patients and those with increased risk factors for postoperative infections.

Responsibility for the implementation of the procedure rests with Group's medical management and is managed by the Director of Health and Operations who coordinates its implementation and monitors

compliance. The procedure aligns with multiple national and international standards on the use of antibiotics in perioperative prophylaxis. The main reference documents include the Order of the Minister of Health No. 1528/2013 for the approval of the Guidelines for Antibiotic Prophylaxis in Surgery, as well as international guidelines such as ASHP Clinical Practice Guidelines for Antimicrobial Prophylaxis in Surgery (2022) and European Centre for Disease Prevention and Control (ECDC) - Guidance on Perioperative Antibiotic Prophylaxis. MedLife also complies with the recommendations of the National Institute of Infectious Diseases "Prof. Dr. Matei Balș" and the guidelines developed by the National Institute of Public Health on antimicrobial resistance and healthcare-associated infections.

The procedure is distributed internally to all surgical departments and wards in MedLife units. It is made available to physicians, pharmacists and nurses involved in the administration of antibiotics and is included in internal protocols for the management of healthcare associated infections.

### **Other policies**

We promote an open and transparent relationship with patients and clients through a series of policies and mechanisms designed to facilitate collaboration and their active involvement. **Our Code of Ethics and Conduct** emphasizes our commitment to treating patients fairly (S25, S26), building trust and applying best medical practices. At the same time, through our **Code of Social Responsibility**, we undertake to comply with consumer protection regulations (S20, RO24) and to maintain high standards of quality and safety in the services we provide.

Also, through **our Protection of Public Interest Whistleblowers Policy**, we ensure that anyone who reports concerns about our services is protected from retaliation. In this way, we contribute to a climate of trust and confidence (S21bis) and ensure that any irregularities reported by patients are treated seriously and dealt with appropriately.

A key element of our collaboration with patients is **our Call-Center Feedback and Complaints Procedure**, which establishes a structured system for receiving, reviewing and resolving complaints about our services (S21bis). We have implemented multiple communication channels, such as phone calls, e-mail, online forms and direct interactions in our medical units, ensuring accessibility and transparency. We constantly analyze the feedback we receive and implement improvement measures to best meet the needs of patients and end-users. MedLife has implemented the Call-Center Department's Feedback and Complaints Procedure, supporting the right to freedom of expression and petition, contributing to service improvement and effective management of patient feedback.

Currently, for some of the significant impacts, risks and opportunities identified within the Group, there are not yet formalized and dedicated supportive policies in place, but these are already informally integrated into our business model and Group development strategy. For example, *IRO 26 - Improving the experience of pediatric patients through regular dedicated training for nurses* is supported through our continuing education programs for nurses, which ensure that the quality of pediatric services is enhanced. Other initiatives, such as *IRO S27, S28, S29*, reflect our organic development strategy, through which we are expanding medical infrastructure and increasing access to healthcare services for disadvantaged communities, low-income patients or people in rural and remote areas. These are also supported by *RO29 and RO31*, strategic opportunities that allow us to strengthen our leadership in the provision of affordable and efficient healthcare.

### **[S4-2] - Processes for engaging with consumers and end-users about impacts**

The Group maintains ongoing engagement with consumers and end-users through both direct mechanisms and indirect engagement with their representatives. These dialogs provide the Group with insight into community expectations regarding the impact of its own and/or value chain operations and facilitate the identification of measures needed to build and maintain the trust of affected communities.



The CEO and at the same time Chairman of the Board of Directors is the highest position and role within the Group, responsible for ensuring collaboration with affected communities on impacts and for integrating the results of this collaboration into the organization's strategic approach.

Direct collaboration takes place through satisfaction questionnaires, which are distributed to patients after accessing healthcare services, and through the complaints and complaints mechanisms. These tools allow patients to voice their concerns and offer suggestions, helping to improve the quality of services.

Collaboration takes place at different stages of the patient experience, including post-service assessment through questionnaires and real-time reporting of problems through complaint channels. The frequency of feedback collection is ongoing and feedback is analyzed periodically to identify trends and possible improvements. In the case of indirect collaboration, meetings with NGOs and associations are carried out at strategic level, according to specific needs and initiatives.

The responsibility for implementing and monitoring these collaborations lies with the Director of Quality and Patient Experience, who coordinates the activities of collecting and analyzing feedback, and the Medical Director, who ensures the integration of the findings into the strategies for improving healthcare.

The effectiveness of the collaboration is evaluated by periodically analyzing the results of satisfaction questionnaires and complaints and by monitoring the implementation of corrective measures resulting from these processes. In this way, MedLife ensures a constant dialog with consumers, integrating their perspectives into decisions and strategies to improve healthcare services.

#### **[S4-3] - Processes to remediate negative impacts and channels for consumers and end-users to raise concerns**

MedLife manages negative impacts on consumers through a remediation strategy based on transparency, prevention and continuous improvement, aligning with quality and medical safety standards as follows:

- As regards the protection of patients' personal data (S20), the Group implements strict cybersecurity and data access monitoring measures, and in case of identified breaches, immediate corrective action and notification are taken as required by law, preventing reputational risks and financial penalties.
- In terms of patient safety (S22, S23, S24), MedLife applies strict protocols to prevent medical errors and infections, including perioperative antibiotic prophylaxis. When incidents occur, they are investigated internally and corrective measures are implemented to prevent recurrence.
- Also, in the case of possible violations of children's rights (S25), the Group places particular emphasis on training medical staff and on the application of the informed consent procedure to ensure that the rights of minor patients are respected. Evaluation of the effectiveness of remedial measures is carried out through continuous monitoring of complaints, internal audits and consultations with patients to adapt strategies to prevent and remedy negative impacts.

MedLife considers the *Integrity Whistleblower Form* available on the company's website to be the main formal channel in the process of remedying potential negative impacts on customers and end users. Complaints and referrals can be submitted through it by following the steps outlined in this form.

The whistleblowing reports received are recorded in an electronic register which includes information such as the date of receipt of the report, the full name of the whistleblower and the contact details of the whistleblower, if known, the subject of the report and the proposed method of resolution. With regard to the resolution process, a designated independent external team will analyze the report and make proposals for follow-up action to MedLife's relevant persons. To the extent that the referral relates to matters that are significant to MedLife's business, the Board of Directors shall be informed immediately. No later than three months after acknowledgement of receipt of the report, the whistleblower shall be informed by the designated team of the status of the follow-up and subsequently whenever there are

any developments in the follow-up, unless the information could jeopardize the follow-up. Following the investigation, if the report is substantiated, MedLife's management may take actions such as: disciplinary investigation, refer the matter to criminal investigative bodies, or improve MedLife's policies and regulations to prevent recurrence of the risks and misconduct. Subsequently, depending on the outcome of the investigation, the designated person will prepare a report on whether the report has been resolved or closed and communicate it to the whistleblower. The policy also covers when the report is closed for just cause or what the rights of the persons concerned by the report are. Particular care is taken to protect whistleblowers against retaliation and their confidentiality is guaranteed.

MedLife also provides multiple other channels through which consumers and end-users can voice their concerns and needs, managing them in a structured and efficient way. Thus, there are external communication channels that are published on MedLife's website in the contact section: *Satisfaction Questionnaire* and *Contact Form*, through which complaints and complaints can also be submitted by any interested party, following the steps mentioned in each of the forms. Through these easily accessible communication tools, the freedom of expression of opinion is promoted and encouraged, in particular for customers/patients. Also, the handling and resolution of patients' complaints by offering several communication options, including by phone, e-mail ([sesizari@medlife.ro](mailto:sesizari@medlife.ro) , [programarionline@medlife.ro](mailto:programarionline@medlife.ro) ), in the medical facilities, online forms or via the mobile app. These mechanisms enable transparency and accessibility, providing patients with an open channel of communication with the organization. Patients also receive automated feedback forms through which they can express their satisfaction with the services accessed and offer suggestions for improvement.

These channels operate through a well-defined process for collecting, analyzing and resolving complaints and suggestions. Incoming complaints are automatically routed to the Customer Relations team, which analyzes them and redirects them, if necessary, to the relevant departments, such as reception, doctors, medical directors or the quality department. Responses are provided to patients within an optimal timeframe of 5-7 days, in accordance with Internal Regulation, although the legislation allows up to 30 days for resolution. In addition, feedback reports are updated on a bi-monthly basis and the data is analyzed by the management of each unit and centrally to identify areas for improvement and implement corrective measures. This system enables MedLife to maintain a high level of patient satisfaction, optimize healthcare services and strengthen consumer confidence in the quality of care.

In order to ensure the availability of these mechanisms, MedLife supports an integrated complaint and referral management system, working in collaboration with the Customer Relations Department, the Quality Department and the network medical facilities. The Group allocates essential resources for the effective functioning of the communication channels, including specialized staff responsible for their administration, modern IT infrastructure and monitoring systems, which ensure transparency and efficiency in the management of consumer feedback.

Clear rules and procedures are also implemented to guarantee the confidentiality and safety of employees and patients using these channels, promoting an open and inclusive communication environment.

The monitoring of issues raised by consumers is done by centralizing and analyzing complaints on a regular basis, using internal dashboards to assess trends and implement necessary measures. In addition, MedLife conducts semi-annual and annual reviews of patient satisfaction levels, using metrics such as retention rates, complaint resolution efficiency and customer loyalty.

We assess our patients' awareness of and confidence in our complaint handling structures and processes through satisfaction questionnaires sent to all patients, including the vulnerable ones, semi-annual reviews, and monitoring feedback received through our complaint channels such as call-center, email, and mobile app. The data collected allows us to identify the level of use of these mechanisms and the effectiveness perceived by patients in resolving the issues raised. We also update the feedback reports

regularly and analyze them at management level so as to constantly improve the transparency and accessibility of these processes.

#### [S4-4] - Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

Within the Group, the process by which we identify and determine the necessary and appropriate actions in the face of an actual or potential negative impact on customers and end-users is based on the existing legislative framework, but also on international best practices.

*Table on consumer and end-user actions*

IRO no.	Actions	Target as time	Aim of the action	Status	Budget	Efficiency
S20	Continuing the application of the GDPR procedure	Continuous	All patients	Ongoing	Resources allocated	Measured directly not only by the number and/or impact of data privacy incidents, but also indirectly as the number of people trained and or number of patients with GDPR agreement in place.
	Implementation of cyber security systems to protect data (encryption, multi-factor authentication).	Continuous	All patients	Ongoing	Resources allocated	
	Train healthcare staff on GDPR compliance and good data protection practices.	Continuous	All patients	Ongoing	Resources allocated	
	Adopt a regular audit system to verify compliance with patient data privacy rules.	Continuous	All patients	Planned	Resources allocated	
R024	See S20	Continuous	All patients	Ongoing	Resources allocated	

*\*Resources allocated - no dedicated financial resources have been allocated, as the measures implemented are part of the Group's ongoing operations and are integrated into existing organizational and compliance processes.*

In 2024, we continued to implement the legislative provisions on the *protection of personal data*, complying with Law No. 46/2003 on Patient's Rights, as well as the objectives set by the *Procedure for Obtaining Informed Consent*. We thus continued to implement data security measures in laboratory procedures, using unique codes to identify samples and restricting access to results only on the basis of the access code and the patient's Personal Identification Number (PIN). We have also strengthened authentication of staff managing patient data, relying on individual usernames and passwords to prevent unauthorized access. For the coming period, we will continue to modernize the IT infrastructure and further automate processes for accessing and managing personal data. These measures have been implemented in all the Group's healthcare facilities and target both patients and the medical and administrative staff who manage this information, as well as the IT service providers responsible for the digital infrastructure.

Actions are implemented on an ongoing basis, aiming to continuously improve the way we manage patient data. In the event of security breaches or unauthorized access, we have implemented a clear GDPR-compliant rapid notification and intervention protocol, ensuring an effective and transparent response in such situations. In the last year, there have been no reported incidents of data breaches in our medical facilities which reflects the effectiveness of the prevention and control measures in place. We continue to constantly monitor data protection processes and enhance security systems to maintain the highest standards of compliance and patient safety.

IRO no.	Actions	Target as time	Aim of the action	Status	Budget	Efficiency
S22	Implement strict protocols for verification and double validation of treatments and procedures.	Continuous	All patients	Ongoing	Resources allocated	This potential negative impact is directly measured by the number of recorded incidents, nosocomial infection rates, but also by the number of malpractice complaints and litigation.
	Continuous training of medical staff to improve the quality of care and reduce errors.	Continuous	All patients	Ongoing	Resources allocated	
	Set up anonymous internal reporting systems to identify and prevent errors.	Continuous	All patients	Ongoing	Resources allocated	

*\*Resources allocated - no dedicated financial resources have been allocated, as the measures implemented are part of the Group's ongoing operations and are integrated into existing organizational and compliance processes.*

In 2024, we continued to implement internal procedures and medical protocols designed to prevent medical errors and negligence by reinforcing safety and quality standards throughout the Group. These measures are applied in all our medical facilities, aiming to optimize medical acts, reduce operational risks and improve control and monitoring processes.

The actions implemented cover all MedLife facilities - clinics, hospitals, laboratories and pharmacies, involving doctors and nurses as well as quality control and risk management departments. We also work with suppliers of medical equipment and technology to ensure compliance with safety standards throughout the healthcare network.

In recent years, the measures implemented have led to a reduction in reported incidents and improved compliance with medical protocols. We monitor the effectiveness of our actions through regular audits, analyzing quality metrics and collecting feedback from patients and medical staff.

IRO no.	Actions	Target as time	Aim of the action	Status	Budget	Efficiency
S23	Monitor antibiotic use and promote a rational use program.	Continuous	Hospital patients	Ongoing	Resources allocated	The effectiveness of actions is measured and reported directly at the level of each hospital through the operational indicator on the number of cases identified.
	Create and implement strict hygiene and disinfection policies in healthcare facilities.	Continuous	Hospital patients	Ongoing	Resources allocated	
	Monitoring and reporting nosocomial infections so that rapid preventive measures can be taken.	Continuous	Hospital patients	Ongoing	Resources allocated	
RO26	See 23	Continuous	Hospital patients	Ongoing	Resources allocated	

*\*Resources allocated - no dedicated financial resources have been allocated, as the measures implemented are part of the Group's ongoing operations and are integrated into existing organizational and compliance processes.*

In 2024, we continued to meet the objectives set out in the *Perioperative Antibiotic Prophylaxis Procedure and the Operational Procedure for the Judicious Use of Antibiotics*, ensuring the implementation of stringent measures to combat antimicrobial resistance and prevent healthcare-associated infections. These measures are implemented in all MedLife facilities, including hospitals, clinics and laboratories, and cover both the medical staff responsible for administering treatments and the patients, who benefit from safe and effective therapeutic approaches. In addition, we collaborate with drug suppliers and regulatory authorities to ensure that the use of antibiotics complies with the latest scientific and legislative recommendations.

When cases of antibiotic misadministration or healthcare-associated infections are identified, we implement immediate corrective measures, including reviewing treatment protocols, reassessing affected patients and adjusting prevention strategies. We also investigate each incident through dedicated medical committees, ensuring restorative measures for patients and continuous optimization of clinical processes.

In terms of the evolution of the implementation of measures over the years, we have seen an improvement in compliance with antibiotic use protocols, reflected in a decrease in unwarranted use and a reduction in the incidence of healthcare-associated infections. We monitor the effectiveness of these actions through internal audits, consumption analysis and epidemiologic studies, thus ensuring a sustainable and effective approach to antibiotic stewardship.

IRO no.	Actions	Target as time	Aim of the action	Status	Budget	Efficiency
S24	Regular assessment of hospital equipment and infrastructure to reduce risks.	Continuous	All patients	Ongoing	Resources allocated	Measured directly at the operational level through indicators such as: realization of maintenance plans, existence and/or impact of incidents, number of people trained.
	Implementation of a health and safety risk management system in healthcare facilities.	Continuous	All patients	Ongoing	Resources allocated	
	Organize regular safety training sessions for staff.	Continuous	All patients	Ongoing	Resources allocated	

*\*Resources allocated - no dedicated financial resources have been allocated, as the measures implemented are part of the Group's ongoing operations and are integrated into existing organizational and compliance processes.*

In the reporting year, we continued to implement measures dedicated to risk management of health and safety incidents that may affect patients. In doing so, we developed and updated emergency plans, reinforcing safety measures in the event of natural disasters, fires and critical situations in healthcare facilities. We have stepped up simulation exercises, including complex scenarios such as fires, critical medical situations and unauthorized access to restricted areas such as ICU or sterilization wards. In the coming period, we aim to automate emergency response processes through digital early warning systems and extend intervention protocols to all Group units.

Actions are implemented across the entire MedLife network, including hospitals, clinics, laboratories and imaging centers, and are applicable to both medical staff and patients. We also actively collaborate with protective equipment suppliers and regulatory institutions to align with the highest standards in managing safety risks.

Measures are implemented on an ongoing basis, with annual reviews and audits of safety systems. In the event of an incident, we apply a clear reporting and intervention protocol, which includes immediate assessment of the situation, analysis of contributing factors and implementation of corrective measures. Internal committees analyze each case and propose solutions to prevent similar situations from occurring in the future, ensuring compensatory measures for the affected patients.

We have strengthened clinical audit systems, constantly assessing compliance with protocols and the effectiveness of safety measures. We monitor risk metrics and reported incidents, implementing proactive measures to reduce operational vulnerabilities. In 2024, there were no significant incidents reported that put patients at risk.

IRO no.	Actions	Target as time	Aim of the action	Status	Budget	Efficiency
S25	Ensure children's access to adequate health care without discrimination.	Continuous	Minor patients	Ongoing	Resources allocated	Measured by questionnaire results, Satisfaction Index and Net Promoter score indicators. A measure of success is the level of referrals and complaints.
	Training medical staff in ethics and children's rights in health care.	Continuous	Minor patients	Ongoing	Resources allocated	
	Implement rapid reporting and intervention mechanisms in cases of abuse or neglect.	Continuous	Minor patients	Ongoing	Resources allocated	
S26	See S25	Continuous	Minor patients	Ongoing	Resources allocated	

*\*Resources allocated - no dedicated financial resources have been allocated, as the measures implemented are part of the Group's ongoing operations and are integrated into existing organizational and compliance processes.*

In 2024, we applied strict measures to inform and validate consent for all treatments administered to minor patients, training medical staff in standardized procedures for obtaining consent, thus implementing the objectives set out in the *procedure on obtaining informed consent* and ensuring the protection of children's rights in the medical act.

For the future, we aim to optimize the consent flow by integrating it into digital platforms accessible to parents and legal guardians, thus facilitating better transparency and accessibility.

The actions are implemented in all MedLife facilities, including clinics, hospitals and laboratories, and are applicable to both minor patients and the medical and administrative staff who handle consent documents. We also collaborate with regulators and child protection organizations to align with best practices.

We implement these measures on an ongoing basis, with annual process reviews and optimizations to adapt to new legislative requirements. In the medium term (1-3 years), we will extend the full digitization of documentation and introduce automated consent validity checking systems, and in the long term (over 3 years), we aim to automate administrative flows related to the protection of minors.

There were no significant incidents involving minor patients in 2024. We intend that where irregularities in obtaining consent are identified, we will implement internal audit mechanisms, review procedures and, if necessary, inform the relevant authorities.

During 2024, we continued to conduct periodic training programs dedicated to nurses with the goal of improving the experience of minor patients. These training sessions are designed to develop nurses' communication and interaction skills, enabling them to apply techniques adapted to the age and developmental level of children, thereby reducing their anxiety and fear of medical treatment.

IRO no.	Actions	Target as time	Aim of the action	Status	Budget	Efficiency
S21	Constantly creating and updating the website (details of medical services offered, specialties and doctors available, dedicated sections for appointments, patient guides and information on costs and insurance)	Continuous	All patients	Ongoing	Resources allocated	Measured by questionnaire results, Satisfaction Index and Net Promoter score indicators. A measure of success is the level of referrals and complaints. For digital channels, a measure of success is the adoption rate, the number of digitally enrolled customers. The Call Center system is evaluated on operational indicators such as response time and response rate, abandon rate, etc.
	Development of a digital patient application (secure online portal where patients can access their medical history, test results and appointments, chat functionalities or online support, etc.)	Continuous	All patients	Ongoing	Resources allocated	
	Transparent information through educational materials (blog, medical dictionary, editorials, podcasts or live sessions with specialists, social media awareness campaigns, etc.)	Continuous	All patients	Ongoing	Resources allocated	
	Implementation of an efficient Call Center and helpline system (dedicated helplines where patients can quickly get information about services, appointments and procedures)	Continuous	All patients	Ongoing	Resources allocated	
	Media and community partnerships (i.e. working with the media, publications to disseminate information about new services, technologies and health campaigns)	Continuous	All patients	Ongoing	Resources allocated	
S21bis	Procedures aimed at obtaining informed consent	Continuous	All patients	Ongoing	Resources allocated	Measured by questionnaire results, Satisfaction Index and Net Promoter score indicators. A measure of success is the level of referrals and complaints.
	Implementation of an efficient system of physical and digital contact channels (public email addresses, call center, dedicated helplines where patients can quickly get solutions, physical receptions, etc.)	Continuous	All patients	Ongoing	Resources allocated	
	Existence of a public and confidential communication channel for whistleblowers	Continuous	All patients	Ongoing	Resources allocated	

*\*Resources allocated - no dedicated financial resources have been allocated, as the measures implemented are part of the Group's ongoing operations and are integrated into existing organizational and compliance processes.*

We utilize a variety of channels and initiatives to ensure *patient freedom of expression*, as well as *consumer access to accurate*, up-to-date and easy-to-understand *information* about treatments, procedures and healthcare professionals, thereby building patient trust and brand loyalty.

To this end, we have focused on developing effective communication mechanisms, including direct information to patients by doctors, nurses and reception staff during consultations and medical investigations, complemented by detailed written consents clarifying the nature of procedures and treatments. In addition, patients benefit from online access to essential information through the MedLife website, where a list of services offered, prices, doctors' profiles and available facilities are presented, facilitating informed decision-making. The Doctor's Advice platform and published medical education articles contribute to increasing medical literacy among consumers, supporting prevention and early diagnosis.

The obligation of healthcare professionals to provide complete and detailed information to all patients is a priority in our transparency and medical ethics policy. We aim to extend these initiatives by automating communication and personalizing patient information, using advanced digital solutions to enhance the user experience and ensure a higher level of trust in our healthcare services.

To achieve and promote meaningful positive impacts on our patients, we focus on creating and maintaining effective channels of communication that enable them to access information quickly, express their opinions and make complaints in a transparent and secure manner. This strategy contributes to increasing patient satisfaction, building trust and loyalty to the Group's healthcare services.

Through the concept "Together We Make Romania Better" we support medical education by constantly publishing informative materials on the various editorial platforms with which we have partnerships. The topics covered are primarily about prevention and how we should take care of our health, but also advice and recommendations from MedLife specialists for different conditions. As of 2024, this editorial project has seen the following results: 321 articles, over 4 million views, over 8.6 million impressions. In addition, TV and radio partners, with the same role of medical education of the public, cumulated more than 80 appearances of MedLife doctors on the programs with a total audience of more than 20 million people.

In order to ensure a high level of accessibility and real-time support, we have strengthened our Call Center service, where patients can obtain information about services, appointments and medical recommendations. We also provide patients with an open feedback channel where they can voice their concerns, complaints and suggestions, helping to continuously improve their experience.



Also, through our Whistleblower Protection Policy, we have ensured a safe and confidential mechanism for reporting any irregularities, enhancing transparency and accountability in our relationship with patients. We constantly monitor feedback received and the results are integrated into our continuous improvement processes, ensuring that patient experience remains a central priority in the Group's development strategy.

IRO no.	Actions	Target as time	Aim of the action	Status	Budget	Efficiency
S29	Continuing the strategy of organic growth nationwide with coverage of medium residential areas in order to facilitate access to quality health services in neighboring areas	Continuous	Rural/low income patients	Ongoing	Resources allocated	The efficiency of positive impact or opportunities is measured by operational indicators such as: number of patients/locations; types of new medical services/procedures; regional coverage; etc.
S28	Continuing the strategy of organic growth nationally and internationally to facilitate community access to quality health services	Continuous	Rural/low income patients	Ongoing	Resources allocated	
S27	Continuing the organic growth strategy of the Sfanta Maria chain in order to facilitate access to quality medical services for low-income patients	Continuous	Rural/low income patients	Ongoing	Resources allocated	
RO29	Continuing the organic growth strategy of the Sfanta Mary's chain in order to facilitate access to quality medical services for low-income patients	Continuous	All patients	Ongoing	Resources allocated	
RO31	Continuing the strategy of organic growth nationally and internationally to facilitate community access to quality health services	Continuous	All patients	Ongoing	Resources allocated	

*\*Resources allocated - no dedicated financial resources have been allocated, as the measures implemented are part of the Group's ongoing operations and are integrated into existing organizational and compliance processes.*

During 2024, we continued to implement social inclusion initiatives, providing low-income patients with access to quality healthcare through a combination of affordable facilities, partnerships with the public healthcare system and pricing policies tailored to the needs of vulnerable communities. To support this initiative, we offer healthcare services at more affordable rates through clinics in the Sfanta Maria network, thus providing a quality alternative for patients in small and medium-sized towns. In addition, by participating in the national health insurance system, we provide treatments and investigations that are reimbursed by the state for insured patients, eliminating financial barriers in accessing medical care. By opening new clinics, hospitals and medical centers in several regions of the country, we have focused on reducing geographic barriers that limit patients' access to quality health care. These initiatives have had a significant positive impact, making it easier for people in remote areas and vulnerable communities to access modern healthcare without having to travel long distances for treatment.

In addition, MedLife runs community projects, providing medical solutions tailored to local problems, strengthening its presence in communities and contributing to the development of public health.

Through our expansion strategy, we continue to strengthen our presence in large cities, through the MedLife network, but also in medium and small towns, through the Sfanta Maria brand, thus expanding access to healthcare for diverse socio-economic groups, which has enabled rural patients to access local healthcare services.

In the long term, we intend to expand these initiatives, investing in medical infrastructure, affordable technologies, to ensure equitable access to healthcare for all patients, regardless of their financial situation. This strategic approach not only supports the public health approach nationwide.

Another process through which MedLife manages to address negative impacts on the communities affected by its operations is by implementing various actions and campaigns aimed at supporting local communities and ensuring equitable access to quality health care.

Also starting in 2023, MedLife launched the "Hope Doesn't Die of Cancer" program, offering free genetic testing for children with oncological conditions and thus ensuring access to personalized treatments for a significant number of children, contributing to improving their prognosis and quality of life. In 2024, 247 patients were enrolled in the program and benefited from free testing, bringing the total number to 517 children who benefited from the program.

In addition, MedLife organizes prevention and medical education programs, such as the "Testat e hot" campaign, through which the Group aimed to raise yet another alarm about young people's attitudes and behavior on sexual health, thus contributing to the health and well-being of communities.

In addition, MedLife launched prevention and health education initiatives such as free medical consultations for children from disadvantaged backgrounds and environmental education programs. Through the "Mobile Caravan" program, MedLife has provided access to medical services for people in disadvantaged areas and facilitated access to health care for more children from disadvantaged backgrounds through free consultations. Through the "Mobile Caravan" program, MedLife has provided access to medical services for people in disadvantaged areas and facilitated access to health care for more children from disadvantaged backgrounds by providing free consultations. By 2024 - we had about 200 beneficiaries.

In 2024, the Group continued to implement rigorous measures to prevent and mitigate negative impacts on patients and end-users, balancing commercial objectives with ethical responsibility to consumers. Our strategy includes protecting personal data, preventing medical risks, communicating services transparently and strengthening feedback and redress mechanisms. Where tensions arise between preventing negative impacts and commercial pressures, we prioritize patient safety and satisfaction in decision-making.

#### **[S4-5] Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities**

The targets set so far at the Group level are not specifically aligned to all the significant sustainability issues identified in the Double Materiality process. They also do not fully meet the requirements of the ESRS to define measurable, result-oriented objectives with a clear time horizon. For this reason, we do not include such specific targets in our current reporting.

However, we recognize the importance of setting clearly defined, measurable and ESRS-aligned objectives to monitor sustainability performance. In the coming period, we aim to develop a structured framework for setting targets so that they are relevant, measurable and integrated into our development and reporting strategies. This will ensure greater transparency and make it easier to assess the real impact of the initiatives implemented on consumers and end-users, contributing to the consolidation of a sustainable business model.

However, we monitor the effectiveness of our policies and actions through regular evaluations, analyzing the impact of the services provided, operational risks and opportunities for improvement. In this way we ensure that our strategic decisions are informed and adapted to market realities, even in the absence of precise numerical targets, while maintaining a firm commitment to continuous improvement of healthcare services. This monitoring process is achieved through:

- Regular analysis of operational metrics, including the number of patients treated, the evolution of demand for certain medical services and the utilization of our medical infrastructure.
- Collecting and analyzing patient feedback, using satisfaction questionnaires, complaints and suggestions, to understand and improve the consumer and end-user experience.
- Internal audits and controls carried out in our medical facilities to ensure compliance with quality, safety and medical ethical standards.
- Reporting and analyzing sustainability data by monitoring our activities and initiatives that contribute to improving access to healthcare and reducing negative impacts.
- Regular consultations with stakeholders, including authorities, health organizations and civil society, to adapt development strategies and respond effectively to community needs.

## XI. ESRS G1 - BUSINESS CONDUCT

### [G1.IRO-1] - Description of the processes to identify and assess material impacts, risks and opportunities

The following table lists the impacts, risks, and opportunities related to Professional Conduct that MedLife has identified and assessed as significant as a result of its DMA (DMA) including the categories of affected stakeholders and the business line impacted. This disclosure should be read in conjunction with ESRS 2, in particular IRO-1 and SBM-3, GOV-1 in accordance with the CSRD. Abbreviations (if applicable) are in Appendix 1.

*Table of impacts, risks and opportunities related to professional conduct*

#	Short description	Stakeholders						Upstream	Business lines						Downstream
		Employees & Workers	Customers	Patients	Suppliers	Community	Silent stakeholder		Corporate	Clinics	Laboratories	Hospital	Pharmacies	Other	
G7	Promoting a user-friendly legislative framework		✓	✓		✓			✓						
G13	Absence of confirmed cases of corruption and bribery in own operations		✓	✓	✓				✓	✓	✓	✓	✓	✓	
G12	Lack of measures to prevent and detect corruption and bribery		✓	✓	✓	✓			✓	✓	✓	✓			
G1	Creating a positive and attractive working environment, governed by fair and transparent policies and procedures	✓							✓						
G2	Promote transparency in the pricing and billing of healthcare services.		✓	✓					✓	✓	✓	✓	✓	✓	
G3	Absence of fraud and elimination of unnecessary procedures in the provision of healthcare services.		✓	✓					✓	✓	✓	✓	✓		
G4	Promoting competitive behavior		✓	✓					✓						
G8	Promotion and development of local providers				✓			✓	✓	✓	✓	✓	✓	✓	✓
G9	Quality control in the supply chain for the distribution and marketing of pharmaceuticals		✓	✓					✓				✓	✓	
RO34	Inadequate management of environmental and social impacts by suppliers - risk to the Group's reputation							✓							✓
G5	Protecting the rights of whistleblowers	✓						✓	✓						✓

The positive impacts identified from the DMA analysis are related to several sub-topics:

- G1, G2, G3, G4 related to the sub-topic *Corporate Culture*. At the Group level G2, G3, and G4 are correlated with two sub-sub-topics specific to the Group: *Market Presence* and *Economic Value Generated and Distributed*. These impacts relate to two contributions that are entity specific:
  - ✓ *Increasing the level of information to patients and clients on transparency in the pricing and billing process for healthcare services.*
  - ✓ *Improving the quality of care and reducing costs for patients by preventing fraud and eliminating unnecessary procedures in the provision of healthcare services.*
  - ✓ *Ensuring patient access to diverse choices and fair prices through the absence of anti-competitive behavior*
- G13 related to the sub-topic *Corruption and Bribery*, refers to the contribution to *improving the trust and satisfaction of partners, clients and patients, due to the absence of confirmed cases of corruption and bribery in its own operations.*
- G5 related to the sub-topic *Protection of Whistleblowers*, refers to the contribution on *protecting the rights of whistleblowers by developing a specific policy and outsourcing it to a third party.*
- G7 under the sub-topic *Political Commitment*, refers to the contribution on *active participation in the processes of developing a more favorable legislative framework for health activities.*
- G8 and G9 related to the sub-topic *Managing relationships with suppliers, including payment practices*, refers to the contribution to the *promotion and development of local suppliers in*

*different regions, including local producers of medicines and medical supplies, and to protecting the health of patients and delivering safe and high quality products by implementing effective quality control measures in the supply chain for the distribution and marketing of pharmaceutical products*

From the DMA analysis at the Group level, only one negative impact (G12) related to the sub-topic *Corruption and Bribery* was identified. This impact generates the following negative effect

- *a possible decrease in the trust of employees, patients and partners in the company, as well as an increased risk of unethical practices.*

The DMA analysis at Group level resulted in one significant risk (RO34) related to professional conduct, linked to the sub-topic *Managing relationships with providers, including payment practices*. It may generate the following impacts:

- *damage to the Group's reputation can occur as a result of a lack of concern about how suppliers manage negative impacts on the environment and people. If suppliers do not comply with sustainability and social responsibility standards, this may reflect negatively on the Group, compromising public image and trust.*

Through the Group-wide process of identification, analysis and assessment of significant IROs carried out in 2024, those IROs that address the sustainability theme of business conduct were also identified. Thus, detailed assessments of actual and potential impacts on the environment and people, such as corporate culture, supplier relationship management, prevention and detection of corruption and bribery, compliance cases of corruption or bribery, exercising political influence and lobbying activities and payment practices, were conducted across the Group.

The analysis process aimed to identify the IROs related to this theme, both in the company's own operations and in the value chain, covering all business lines carried out by the company, both in Romania and in Hungary. According to the information presented in ESRS 2 IRO-1, in order to identify these IROs, several internal workshops were organized with the participation of experts from the Coordinating Sustainability Team and the extended sustainability team formed by selected members from the main companies of Group. They analyzed all the sustainability sub-topics and sub-sub-topics included in ESRS 1 for ESRS G1, taking into account the following information: the geographical areas in which the Group operates, the type and country of origin of suppliers, whether or not there have been cases of corruption or bribery, the existence and description of complaints received from suppliers, employees or other stakeholders on business ethics issues, complaints from patients and customers on issues related to the way services are provided that may be related to business conduct, the existence and details of irregularity alerts, and other information specific to the healthcare sector. In addition, the Group's existing policies and procedures on the topic of business conduct were analyzed. The result of this analysis was that all the sub-topics and sub-sub-topics considered potentially relevant by ESRS 1 for the professional conduct theme are relevant to the Group.

In addition, the sector analysis, which analyzed some of the sustainability reports of similar companies as well as sector specific standards as described in the ESRS 1 IRO-1 section, resulted in the following sub-sub-topics that are also relevant for the Group and which are not covered by the themes in ESRS 1, being considered entity specific themes: Pricing and billing transparency, Fraud and unnecessary procedures, Anti-competitive behavior. All these sub-sub-topics have been linked to the sub-topic Corporate Culture.

For each sub-sub-topic, actual or potential, positive or negative IROs were identified. The IROs entered the evaluation process by external as well as internal stakeholders. IROs on the Professional Conduct

theme were also included in a consultation process with the following stakeholders: employees, providers, customers and patients, community.

#### **[G1-1] - Policies related to business conduct and corporate culture**

The Group has implemented a governance system to support and promote appropriate professional conduct, which is an essential component to ensure effective and responsible management of its human and financial resources. This system is document based:

- MedLife Code of Ethics and Code of Conduct;
- Code of Social Responsibility;
- Protection of Public Interest Whistleblowers;
- Sustainability policy;
- Remuneration policy;
- Rules of internal order;
- Anti-Bullying Policy
- Corporate governance charter.

Each of these policies and codes sets clear standards of behavior, promotes integrity, transparency and accountability, and contributes to a safe and fair work environment. They apply to all employees and anyone working for or on behalf of Medlife (including healthcare professionals and providers, research institutions and patient organizations).

These procedures are evaluated, updated and supplemented when necessary in accordance with the dynamic legal and regulatory context and risks associated with Medlife's activities. They are not designed to exhaustively address all circumstances that may arise. If a particular situation is not covered or the provisions of the procedures are not clear to an employee, they should consult their manager and/or the Legal Department.

#### **MedLife Code of Ethics and Code of Conduct**

MedLife's Code of Ethics and Conduct ("Code") addresses the following impacts, risks and opportunities: G1, G4, G8 and G13. The Code of Ethics and Code of Conduct explicitly prohibits all forms of bribery and corruption, including promising, offering, accepting or soliciting bribes and is aligned with the general international principles on corruption. It also requires employees to report any unethical or illegal behavior, contributing to the effective prevention and detection of corruption. Through this document, the Group undertakes to promote free and fair competition and not to enter into any agreements with its competitors. Also, through the Code, the Group encourages compliance with the rules of fair competition in the financial market and the prevention of anti-competitive practices by all employees, who are prohibited from engaging in market manipulation activities in connection with securities issued by MedLife, including entering into transactions or issuing orders that give or may give false or misleading signals as to their demand, supply or price. At the same time, the document outlines MedLife's commitment to treat suppliers fairly, selecting and contracting them on the basis of merit and objective business standards, avoiding favoritism (G8). These documents establish the principle of zero tolerance for corruption and provide clear mechanisms for reporting and investigating misconduct.

The Code establishes a set of rules of conduct and standards of behavior applicable to MedLife and all its subsidiaries. It includes: compliance with applicable laws and regulations; accountability to customers, suppliers and competitors; dealing with colleagues, ensuring a safe and respectful working environment; managing conflicts of interest; zero tolerance of corruption; information management and confidentiality; preventing market abuse; and open and transparent external communication. The Code emphasizes the Group's commitment to treat patients, competitors and suppliers fairly, to maintain mutually beneficial relationships with patients, and to select suppliers on the basis of merit and objective business standards.

Further, by implementing the provisions of this Code, MedLife is committed to treating all employees with respect and fairness, recognizing their diversity. The Code applies to all hierarchical levels within MedLife, including directors, executive officers, directors, employees, and subcontractors or consultants, whether they are permanent or temporary employees. The Code does not apply to upstream and downstream value chain activities and entities. The Board of Directors shall be responsible for its implementation and compliance. The Code shall refer to compliance with applicable laws and regulations in any country in which MedLife operates, including industry standards and internationally accepted best practices. In developing this framework, the Group has not followed a formal stakeholder consultation process, but has relied on experience and a thorough understanding of stakeholder expectations and needs. The Code is available to all MedLife colleagues, who are required to comply with its provisions in the conduct of their work upon employment. The Code is available for consultation on the intranet, in the Human Resources offices and on the company website.

### ***Code of Responsibility***

The Code of Social Responsibility ("the SRC Code") sets out the Group's commitments to comply with environmental, health, fire prevention and safety legislation. The document includes references to the environmental and social guidelines of the World Bank ("WB") and the environmental and social policies of the International Finance Corporation ("IFC"). It also specifies prohibited activities such as the production of weapons, alcohol, tobacco, radioactive materials and other harmful activities. As such, this code addresses G1 impacts by creating a positive and attractive work environment as a result of established internal regulations and compliance with the law as referenced in the CSR Code, as well as the environmental and social impacts that are detailed in specific sections within this sustainability statement. G8 is also addressed by the SRC Code through its commitment to comply with all legal requirements and to maintain ethical and responsible relationships with all its partners. The SRC Code applies to all MedLife affiliates, directors, executive directors, employees, subcontractors and consultants, regardless of their employment status (permanent or temporary), but does not address upstream and downstream value chain activities and entities. Exclusions include the prohibited activities mentioned above, such as the production of weapons, alcohol, tobacco and other harmful activities. Responsibility for how this document is implemented rests with the Board of Directors. In developing this Code, the Group has not followed a formal stakeholder consultation process. The Code is available on the company's website.

### ***Sustainability Policy***

The Sustainability Policy defines several commitments of the Group, including sound economic governance to achieve lasting financial competitiveness. The policy addresses legal and ethical compliance by strictly adhering to local and international medical and environmental regulations and ensuring transparency in communicating with patients, employees, authorities and other stakeholders (G1 and G2). The Policy also promotes responsible procurement and encourages collaboration with suppliers that have clear sustainability policies, as well as the adoption of green medical and administrative products (G8 and RO34). The information required by MDR-P 65 a) regarding the monitoring mechanism, c), d), e) and f) is reported under section E1-2 Policies related to climate change mitigation in ESRS E1.

### ***Remuneration policy***

MedLife's Remuneration Policy sets out the rules and principles for directors' and executives' remuneration, with the aim of contributing to the company's business strategy, sustainability and long-term interests. The policy is part of the regulatory framework established at Group level and relates to the G1 impact by contributing to a positive and attractive working environment regulated by fair and transparent policies and procedures. The policy applies to MedLife Board members and Directors. Policy



developed by the Board of Directors on the recommendation of the Nomination and Remuneration Committee. The Board of Directors is responsible for overseeing the application of the policy and the Remuneration Committee makes recommendations on its implementation. The Policy complies with the provisions of Law no. 24/2017 on issuers of financial instruments and market operations and the Corporate Governance Code of the Bucharest Stock Exchange. In addition, the recommendations of the Romanian Association for Investor Relations at the Romanian Stock Exchange (ARIR) were also taken into consideration when drafting this policy. The policy takes into account the interests of shareholders and other stakeholders by establishing clear and transparent rules on remuneration, thus ensuring a competitive and fair system. The policy also discourages risky or inappropriate behavior, aligning with MedLife's long-term business strategy. The policy is communicated externally through the Remuneration Report published on the website. In this way, stakeholders have access to the relevant remuneration information and can express their views on the disclosures included in it.

### ***Corporate governance charter***

The Corporate Governance Charter establishes the corporate governance framework in accordance with the applicable legislation, including the Companies Law no. 31/1990, the Capital Market Law no. 297/2004, the secondary legislation adopted by the Financial Supervisory Authority ("ASF"), the Bucharest Stock Exchange Code ("BVB") and the BVB Corporate Governance Code. The document details the structure and the AGM, BoD, Advisory Committees and Executive Committee. The document relates to the impact of G1, contributing to the creation of a positive and attractive working environment governed by fair and transparent policies and procedures. The policy applies to all governance and management structures of the Group, including the AGM, the Board of Directors and the Executive Committee and does not apply to the upstream and downstream value chain. The Policy is available on the MedLife website.

### ***Investor communication policy***

The Investor Communication Policy defines the principles and practices for ensuring transparent, accurate and timely communication with shareholders, potential investors, analysts and other capital market stakeholders. The policy serves as a guideline for approaching investor relations, complying with legal and regulatory requirements, best practice guidelines set out in the BVB Corporate Governance Code and MedLife's corporate governance standards, relating to G1 impact, developing a positive and attractive working environment governed by fair and transparent policies and procedures. The policy applies to all employees, directors, board members and authorized spokespersons involved in external communication with investors. The guiding principles are designed to promote transparency, fair disclosure and proper handling of inside information. The Investor Relations function, headed by the Investor Relations Manager, is responsible for implementing this policy. The Policy complies with all applicable regulatory guidelines issued by the BVB, ASF and other relevant bodies, including full compliance with the Market Abuse Regulation. MedLife also follows the best practice guidelines set forth in the BVB's Corporate Governance Code. The policy considers the interests of shareholders and other stakeholders by ensuring transparent, prompt and fair communication. MedLife ensures that access to information will not be influenced by analysts' recommendations or shareholders' investment decisions. All requests from investors are handled by the Investor Relations team to ensure consistent communication and in accordance with applicable laws and best practices. The policy is available on the MedLife website, where investor contact details can also be found. MedLife communicates with the investment community through multiple channels, including the company's website, newsletters, BVB and ASF platforms, presentations and conferences, conference calls and direct requests from investors.

### ***Med Life S.A. policy on the protection of whistleblowers in the public interest***

Med Life S.A.'s policy on the protection of whistleblowers in the public interest is the Whistleblowing Policy. It sets out the principles and rules for reporting and investigating whistleblowing, as well as whistleblower safeguards against retaliation. The policy applies to the entire Group, including all companies controlled by or in which MedLife has a majority stake. It is addressed to group employees, associates, shareholders, members of management bodies, partners, contractors, customers and suppliers, as well as to trainees, interns and recruits. The whistleblowing channel is managed externally by a third party to ensure the impartiality of the registration and resolution process. The resolution committee may also involve persons internal to the Group but who are independent of the case in question.

The Whistleblowing Policy complies with Law No. 361/2022 on the protection of whistleblowers in the public interest, European Union regulations and other relevant international standards. The document also addresses G1, G3, G5 and G13 impacts through measures to protect whistleblowers, prevent fraud and avoid unnecessary procedures in the provision of healthcare services. The Board of Directors is responsible for its implementation and has designated a third party to record, review and resolve referrals. The policy is available on MedLife's website, where whistleblowers can use a dedicated form for internal reporting or can turn to external channels represented by competent authorities.

Through the Whistleblowing Policy, MedLife establishes clear procedures for reporting whistleblowing, ensuring confidentiality, impartiality and protection against retaliation, including prohibiting suspension of employment, reduction in pay or discrimination against whistleblowers. Whistleblowers may report irregularities through the internal channel, using the form available on the MedLife website, or through external channels represented by competent authorities, the National Integrity Agency and other public institutions. Whistleblowing reports must contain relevant details, including the data of the whistleblower (if applicable), a description of the fact and possible evidence, and anonymous reports are only analyzed if they include complete indications of misconduct. All referrals are recorded in an electronic register kept for 5 years and the designated person reviews each report and may propose measures such as disciplinary investigation, referral to criminal investigation or review of internal regulations. Within 3 months of receipt of the report, the whistleblower is informed of the progress of the investigation and subsequently of the measures taken, unless informing the whistleblower could jeopardize the investigation. MedLife protects whistleblowers by guaranteeing confidentiality and prohibiting retaliation, thereby reinforcing an ethical and transparent environment.

In order to maintain an ethical and transparent business environment, MedLife is committed to investigating all good-faith referrals and taking appropriate action if confirmed, including disciplinary investigation and referral to the appropriate bodies. It also commits to train employees on retaliation and commitments. The policy provides for training employees, including senior management, on the prohibition against retaliation, thereby strengthening a climate of trust in the organization. Upon receipt of a report, the designated person reviews the referral and proposes follow-up action, ensuring that the principles of impartiality and confidentiality are respected. In significant cases, the investigation is escalated to the Board of Directors and, depending on the outcome, measures such as disciplinary investigation, referral to criminal investigation or improvement of internal policies to prevent similar incidents may be ordered. All investigations are conducted in compliance with applicable legislation and internal ethical rules.

MedLife ensures that whistleblowers are protected against any form of retaliation in accordance with applicable law and Directive (EU) 2019/1937. The company guarantees the confidentiality of the whistleblower, prohibiting the disclosure of the identity of the whistleblower without consent, except as required by law. Any person who reports violations of Internal Regulation or applicable legislation shall be protected against disciplinary sanctions, reduction of salary, change of contract, dismissal, intimidation, discrimination or any other measures that could affect his/her professional status.

Retaliation is prohibited even if the report is not confirmed, as long as the report was made in good faith and on the basis of information believed to be true at the time of reporting.

In order to prevent such risks, MedLife aims to review existing documents, develop additional measures and carry out an analysis to identify the functions most at risk of corruption and bribery and set specific actions for them. In addition, although MedLife has not yet implemented a formalized due diligence procedure to assess business partners and suppliers from the perspective of corruption risks, this measure is being considered for the future.

Currently, there is no dedicated training program for employees on corruption and bribery, but MedLife is considering the development of a specialized program, especially for those functions most at risk.

The Group has not established specific policies for the following impacts: G7 and G12, but recognizes their importance and is considering the development of appropriate frameworks in the future. Currently there are no dedicated policies for:

- G7: Potential positive impacts on people through active participation in the development of a more favorable legislative framework for the health sector. Although MedLife contributes to these initiatives, it has not yet formalized a specific policy in this regard.
- G12: Potential negative impacts on people due to failure to identify the functions most at risk of corruption, bribery or bribery and lack of structured training on these issues.

The Group recognizes the need to strengthen these issues and is considering the development of compliance policies and programs for these areas and will establish an action plan in line with evolving legislative requirements and the Group's strategic priorities.

#### **[G1-2] - Managing relations with suppliers**

As a result of the DMA process, the Group has identified two significant positive impacts related to *Supplier Relationship Management*, namely G8 and G9. The Group has not established specific policies for the G9 impact, but recognizes its importance and is considering the development of appropriate frameworks in the future.

At a corporate level, within MedLife the management of supplier relationships are included in MedLife's Code of Social Responsibility and Ethical Code of Conduct documents which outline MedLife's commitment to comply with all legal requirements and to maintain ethical and responsible relationships with all its partners, including suppliers, to treat suppliers fairly (including through fair payment behavior), selecting and contracting them on the basis of merit and objective business standards, avoiding favoritism. This code also states that MedLife will not employ or invest in persons or entities engaged in illegal or harmful activities.

MedLife's collaboration with local suppliers of medicines, medical supplies and pharmaceuticals has a significant positive impact on the local economy and innovation in various regions of Romania, contributing to the sustainable development of regional communities by providing access to quality medical products and services and reducing environmental impact. Following consultation with suppliers, they have reported an increase in turnover and jobs due to working with the Group. The Group selects its suppliers based on criteria of quality, price and their ability to deliver, aiming to establish strong long-term relationships.

In the coming period, the Group aims to implement a supplier code of conduct that will include key aspects of managing environmental and social impacts, and is also analyzing the potential for implementing sustainability criteria in the procurement process. In this way the risks associated with suppliers' inadequate management of environmental and social impacts that may damage the Group's reputation will be better considered. Non-compliance with sustainability and social responsibility

standards by suppliers may have negative repercussions on the public's image and trust in the Group. This risk highlights the need for rigorous selection and monitoring of suppliers to ensure their compliance with ethical and environmental standards, thereby protecting the reputation and integrity of the organization (RO34).

#### **[G1-3] - Prevention and detection of corruption and bribery**

MedLife manages whistleblowing and bribery referrals and complaints through its Code of Ethics and Conduct and Whistleblowing Policy. Therefore, the mechanisms for filing complaints and referrals on bribery and corruption, as well as those for resolution, are the same as those for unethical or illegal behavior described under disclosure requirement G1-1.

The governing bodies that deal with bribery and corruption issues within MedLife include the Board of Directors and the Audit Committee, which has specific duties in assessing the internal control system and monitoring the application of legal standards as detailed in MedLife's Corporate Governance Charter. These management structures are responsible for overseeing compliance with internal policies and legal regulations.

In terms of prevention procedures, these include internal communication through training sessions, documents accessible on the company intranet and through regular briefings, continuous monitoring of transactions and risk assessment.

To date, the Group has not carried out an analysis to identify the functions most at risk of corruption and bribery, but will do so by the end of 2025. During 2024, MedLife has not implemented a formal anti-corruption and bribery training program.

#### **[G1-4] - Confirmed cases of corruption or bribery**

In FY 2024, there were no incidents of corruption and bribery or bribery at Group level.

#### **[G1-5] - Political influence and lobbying**

In the DMA process, the Group has identified a significant positive impact - G7 - related to *Political Commitment* at the level of the parent company, Med Life S.A. by generating potential positive impacts on people through active participation in the processes to develop a more favorable regulatory framework for health activities. The active involvement of Med Life SA in the regulatory processes in the healthcare sector can bring significant improvements in the quality of healthcare services and ensure equitable and safe access for patients. This impact will be felt at the national level, directly influencing the legislative and operational framework in the health sector, thus facilitating the creation of a more favorable environment for the entire healthcare industry.

This sub-topic can represent a significant opportunity for MedLife. Through active involvement in professional associations that support the stability and regulation of the healthcare sector, the company can contribute to a more stable, predictable and well-regulated business environment. By participating in consultation processes initiated by various organizations and institutions to develop new policies and regulations, the Group can facilitate more favorable conditions for business development. This would improve the predictability and stability of the sector while ensuring a more appropriate regulatory framework for the efficient operation of the organization.

At present, the Group has not set specific actions for these impacts and risks, but recognizes their importance and is considering the possibility of developing appropriate actions in the future, such as: continuing to organize training programs on business conduct issues and analysis to identify the functions most at risk of corruption and bribery.

At MedLife, there is no policy or specific mention of political influence and lobbying activities. The company focuses on ethical and compliance standards and does not engage in political influence or lobbying activities. This approach reflects MedLife's commitment to maintain integrity and transparency in all of its operations, ensuring that all actions are aligned with the organization's values and principles.

Med Life SA, Clinica Polissano SRL, Personal Genetics SRL, Anima Specialty Medical Services SRL, MNT Healthcare Europe SRL, Centrul Medical Sama SA and Almina Trading SA are part of PALMED, the Patronatul Furnizorilor de Servicii Medicale Private - the main national "voice" for lobbying and advocacy, the main promoter supporting private healthcare providers in Romania and the right of patients to quality healthcare at an affordable price. Through this professional association it has been involved in taking position in particular on the Framework Contract on Medical Services and any other legislative proposals aimed at changes in the national health system.

None of the Group companies is registered in the EU Transparency Register or equivalent. Furthermore, none of the members of the existing Board of Directors or committees has held comparable positions in public administration in the previous two years. During the financial year 2024, MedLife was not involved in lobbying activities and did not support political parties.

#### **[G1] - Presentation of Group specific information**

##### ***Pricing and Billing Transparency (SASB Health Care Delivery HC-DY)***

Pricing and billing transparency is a sustainability issue specific to the healthcare sector under the SASB Health Care Delivery HC-DY standard. In the context of the healthcare industry, concerns about transparency in these areas have led to increased regulatory attention and compliance requirements in some jurisdictions. As such, entities that adopt transparent and compliant billing practices can reduce the risks associated with potential penalties and better protect shareholder value.

Promoting transparency in the pricing and billing process has a direct positive impact on Group's patients and customers. By providing clear and accessible information about the costs of services, patients can make informed decisions about their healthcare and avoid unpleasant billing surprises.

In a healthcare sector where price perceptions can influence the decision to access services, ensuring transparency and fair billing practices becomes an essential element of corporate responsibility. The SASB standard requires the reporting of the following metrics on the theme of pricing and billing transparency:

- HC-DY-270a.1. Description of policies or initiatives to ensure that patients are adequately informed of the price prior to having a procedure and
- HC-DY-270a.2. Discussion on how information about service prices is made publicly available.

The Group complies with the commitments set out in its Sustainability Management Policy, which includes ensuring transparency in communicating with patients by providing them with clear information about the prices of healthcare services. To facilitate patient access to detailed and accurate information, MedLife has implemented a number of internal procedures and dedicated initiatives:

- Written communication: Patients can view the fee schedule for medical services through the official MedLife website and mobile app. These sources provide them with cost details before scheduling and accessing services.
- Personalized advice: Medical and administrative staff in MedLife facilities and the Call Center are trained to provide patients with clear information on the costs of procedures, both for those who pay in full and for those with medical insurance. In the case of insured patients, MedLife works with insurers to determine the amounts covered by the insurance policy and the patient's contribution, providing a detailed estimate of the costs incurred.

- Internal information procedures: MedLife has internal procedures in place to inform patients of costs before services are provided. These procedures apply in all network facilities and cover both outpatient and inpatient services.

In terms of differentiating between full-paying and insured patients, MedLife works closely with insurers to determine what patients pay and what is covered by insurance. This way, patients receive accurate information about their personal contribution and the portion covered by insurance, allowing them to make informed decisions. MedLife provides patients with detailed cost estimates, which may include the exact total price, a price range, or other relevant information, such as the percentage or amount of payment for which the patient is responsible. This transparent approach allows patients to effectively manage their financial resources and plan appropriately for needed medical care.

This information is available for both inpatient and outpatient services, providing complete transparency regarding the costs associated with health care. By providing these details, MedLife demonstrates its commitment to transparency and to the right of patients to be accurately and fully informed before making decisions about their health.

#### ***Fraud and Unnecessary Procedures (SASB Health Care Delivery HC-DY)***

Another relevant sustainability issue under the SASB Health Care Delivery HC-DY standard is Fraud and Unnecessary Procedures. In the healthcare sector, preventing fraud and eliminating unnecessary procedures are essential to maintaining professional ethics and protecting patients. Healthcare entities may be subject to significant penalties if their staff engage in fraudulent practices, such as overbilling, performing unwarranted treatments to obtain revenue, or misreporting services rendered. This theme is relevant for MedLife because, as the leader in the private healthcare market in Romania, the Group has a responsibility to maintain the highest standards of integrity and transparency. Moreover, a part of the medical services provided by MedLife are reimbursed by the National Health Insurance House (NHIH), which makes this aspect all the more important, given the use of public funds.

The Group has identified the positive impact G3 *Absence of fraud and elimination of unnecessary procedures in the provision of healthcare services* as a result of the implementation of effective measures to prevent these risks. Initiatives implemented include:

- Sustainability policy, which includes commitments to comply with ethical and legal standards, as well as corporate governance measures aimed at eliminating the risks associated with medical fraud.
- The Code of Ethics and Conduct, applicable to all employees and collaborators, which explicitly prohibits any form of fraud, such as upcoding, billing for services not performed or justifying unnecessary medical procedures.
- Whistleblower reporting and protection mechanisms established by the Whistleblowing Policy, whereby employees can confidentially report any suspicious practices without risk of retaliation, in accordance with whistleblower legislation.
- Strict internal control and audit procedures to verify that the medical act and the billing process comply with the regulations in force, thus preventing the risk of fraud and abuse.

As this sub-topic is an entity-specific issue, to understand performance in relation to this spect, Group has selected a metric from the SASB standards. SASB metric HC-DY-510a.1 - *Total financial losses resulting from legal proceedings associated with medical fraud*, Group did not experience any cases of medical fraud or related litigation during the reporting period.

#### ***Anti-Competitive Behavior (GRI Standards)***



Group has identified positive impact G4 *Promoting competitive behavior* in line with the Global Reporting Initiative Standards (GRI Standards). This aspect addresses behaviors such as price fixing, market restriction, supply coordination, customer sharing and monopoly practices, which can have a negative impact on the market and clients. Free and fair competition ensures innovation, improved quality of services and increased accessibility for patients.

The management of this issue is governed by *MedLife's Code of Ethics and Code of Conduct*, a document that sets out clear principles for the competitive behavior of employees and the entire organization. Through this Code, MedLife is committed to comply with national and international competition laws and not to enter into any agreements with its competitors that could affect free competition in the market. The Group also promotes ethical business practices and ensures that its business partners follow the same principles.

To date, MedLife has not engaged in unfair competition or anti-competitive behavior and has not received any sanctions, fines or adverse decisions from the Competition Council or other competent competition authorities (*GRI 206-1 - Legal Actions for Antitrust, Antitrust and Monopoly*).

### ***Targets linked with Business Conduct***

The targets established so far for Business Conduct IRO's (including Group-specific information) do not fully meet the requirements set out by the ESRS regarding the definition of measurable, outcome-oriented objectives within a clear time frame. For this reason, such specific targets are not included in the current reporting.

However, we acknowledge the importance of setting clearly defined, quantifiable objectives aligned with ESRS requirements, which would allow for the monitoring of sustainability performance. In the upcoming period, we aim to develop a structured framework for setting objectives so that they are relevant, measurable, and integrated into our development and reporting strategies. This approach will ensure increased transparency and will facilitate the assessment of the real impact of the implemented initiatives on consumers and end users, contributing to the strengthening of a sustainable business model.

## XII. ANNEXES

### Annex 1 – Abbreviations and symbols

Abbreviation / symbol	Abbreviation name
CSRD	Corporate Sustainability Reporting Directive
ESRS	European Sustainability Reporting Standards
MFP	Ministry of Public Finance
IFRS	International Financial Reporting Standards
ESG	Environment, Social and Governance
GRI	Global Reporting Initiative
SASB	Sustainability Accounting Standards Board
DMA	Double-meaning analysis
IRO	Impacts, risks and opportunities
UNEP-IF	United Nations Environment Program Finance Initiative
KPI	Key performance indicators
AGEO	Ordinary General Assembly
AGA	General Meeting of Shareholders
CA	Administrative Board
CEX	Executive Committee
GES	Greenhouse gas emissions
CNAS	National Health Insurance House
I p	Positive impact
I n	Negative impact
R	Risk
O	Opportunity
A / P	Actual / Potential
Up	Upstream value chain
Op	Own operations
Ds	Downstream value chain
✓	Indicate aspects affected/targeted
TBD	Action, a measure not yet defined by the Group
SSP2-4.5	The scenario projects a global temperature increase of about 2.7°C by 2100 if greenhouse gas emissions stabilize in the second half of the century
SSP5-8.5	Scenario in which extensive use of fossil fuels and accelerated emissions growth lead to a global temperature increase of more than 4.4°C by 2100
FTE / ENI	Full Standard Equivalent
MDR-P	Minimum Disclosure Requirements - Policies
MDR-A	Minimum Disclosure Requirements - Actions
SSM	Health and safety at work
CCM 1	Climate Change Mitigation
PNIESC	National Integrated Energy and Climate Change Plan
UWWTD	Urban Waste Water Treatment Directive
TCFD	Task Force on Climate-related Financial Disclosures
IPCC	Intergovernmental Panel on Climate Change
WHO	World Health Organization
REDII	Renewable Energy Directive
CEAP	Circular Economy Action Plan
Mwh	Megawatt-hour
GPL	Liquefied Petroleum Gas

<b>Abbreviation / symbol</b>	<b>Abbreviation name</b>
NCV	Net calorific value
GCV	Gross calorific value
kRON	thousand lei (Ron)
MEUR	million
tCO <sub>2</sub> e	tons (t) of carbon dioxide (CO <sub>2</sub> ) equivalent (e)
CO <sub>2</sub>	Carbon dioxide
CH <sub>4</sub>	Methane
N <sub>2</sub> O	nitrous oxide
SF <sub>6</sub>	Sulphur hexafluoride
HFC	Hydrofluorocarbons
PFC	Perfluorocarbons
NF <sub>3</sub>	Nitrogen trifluoride
GHG	Green House Gases
PPP	Power Purchase Agreement
GoO	Certificate de Origine / Guarantee of origin
DEFRA UK	Department for Environment, Food & Rural Affairs
CLP	Classification, Labeling and Packaging
SVHC	Substances of Very High Concern
SOC	Substances of Concern
HGR	Government Decision
NTPA	Technical Standard on Air Protection
SPP	Security Protection Service
SGA Ilfov	Water Management System
LM	Medical Analysis Laboratories
SDS	Safety Data Sheets
mg/dm <sup>3</sup>	Milligrams / cubic decimeters
m <sup>3</sup>	Cubic meter
PFA	Authorized natural persons
CAS	Social Insurance House
CASS	Social Health Insurance House
CAM	Employment Insurance Contribution
GDPR	General Data Protection Regulation
UN	United Nations
IOM	International Organization for Migration
OECD	Organization for Economic Cooperation and Development
CSSM	Occupational Safety and Health Committee
HC-DY	Healthcare - Diagnostics
EVG&D	Economic value generated and distributed
ECDC	European Center for Disease Prevention and Control
ASHP	American Society of Health-System Pharmacists
IFC	International Finance Corporation

**Annex 2 - Data points deriving from other EU legislation listed in Appendix B of ESRS 2**

<b>Submission requirement and related data point</b>	<b>SFDR reference</b>	<b>Pillar 3 reference</b>	<b>Ref of the Benchmarks Regulation</b>	<b>EU Ref from Climate Law</b>	<b>Material/ Immaterial</b>	<b>Pag.</b>
ESRS 2 GOV-1 Gender diversity in governing bodies point 21(d)	Metric No 13 in Table 1 of Annex 1	N/a	Commission Delegated Regulation (EU) 2020/1816(5), Annex II	N/a	Material	7
ESRS 2 GOV-1 Percentage of members of the governing bodies who are independent point 21(e)	N/a	N/a	Delegated Regulation (EU) 2020/1816, Annex II	N/a	Material	7
ESRS 2 GOV-4 Statement on due diligence process point 30	Metric No 10 in Table 3 of Annex 1	N/a	N/a	N/a	Material	16
ESRS 2 SBM-1 Involvement in fossil fuel activities point 40(d)(i)	Metric No 4 in Table 1 in Annex 1	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453(6)Table 1: Qualitative environmental risk information and Table 2: Qualitative social risk information	Delegated Regulation (EU) 2020/1816, Annex II	N/a	Immaterial	
ESRS 2 SBM-1 Involvement in activities related to the manufacture of chemicals point 40(d)(ii)	Metric No 9 in Table 2 of Annex 1	N/a	Delegated Regulation (EU) 2020/1816, Annex II	N/a	Immaterial	
ESRS 2 SBM-1 Involvement in activities related to controversial arms point 40(d)(iii)	Metric No 14 in Table 1 of Annex 1	N/a	Delegated Regulation (EU) 2020/1818(7), Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II	N/a	Immaterial	
ESRS 2 SBM-1 Involvement in activities related to tobacco growing and production point 40(d)(iv)	N/a	N/a	Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II	N/a	Immaterial	
ESRS E1-1 Transitional plan for achieving climate neutrality by 2050 paragraph 14	N/a	N/a	N/a	Regulation (EU) 2021/1119, Article 2(1)	Material	55
ESRS E1-1 Undertakings excluded from the application of benchmarks aligned to the Paris Agreement point 16(g)	N/a	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Model 1: Banking book - Climate change transition risk: credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Articles 12(1)(d) to (g) and 12(2)	N/a	Immaterial	
ESRS E1-4	Metric No 4 in Table 2 in Annex 1	Article 449a	Delegated Regulation (EU) 2020/1818, Article 6	N/a	Material	57

Submission requirement and related data point	SFDR reference	Pillar 3 reference	Ref of the Benchmarks Regulation	EU Ref from Climate Law	Material/ Immaterial	Pag.
Greenhouse gas emission reduction targets paragraph 34;		Commission Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Model 3: Banking Portfolio - Climate Change Transition Risk: Alignment Metrics				
ESRS E1-5 Consumption of fossil energy from sources disaggregated by source (high climate impact sectors only) paragraph 38	Metric No 5 in Table 1 and metric No 5 in Table 2 in Annex 1	N/a	N/a	N/a	Material	58
ESRS E1-5 energy consumption and energy mix point 37	Metric No 5 in Table 1 of Annex 1	N/a	N/a	N/a	Material	58
ESRS E1-5 Energy intensity associated with activities of sectors with high climate impact Paragraphs (40)-(43)	Metric No 6 in Table 1 of Annex 1	N/a	N/a	N/a	Material	58
ESRS E1-6 Gross values from 1, 2, 3 and total GHG emissions point 44	Metrics 1 and 2 in Table 1 in Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Model 1: Banking book - Climate change transition risk: credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Articles 5(1), 6 and 8(1)	N/a	Material	59
ESRS E1-6 Gross GHG emission intensity Paragraphs (53)-(55)	Metric No 3 in Table 1 in Annex 1	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) No 2022/2453 Model 3: Banking Portfolio - Climate Change Transition Risk: Alignment Metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)	N/a	Material	59
ESRS E1-7 GHG removals and carbon credits paragraph 56	N/a	N/a	N/a	Regulation (EU) 2021/1119, Article 2(1)	Immaterial	
ESRS E1-9 Exposure of the benchmark's portfolio to physical climate risks paragraph 66	N/a	N/a	Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II	N/a	Immaterial	
ESRS E1-9 Disaggregation of monetary values by acute and chronic physical risk point 66(a) ESRS E1-9 Location of significant assets that are subject to significant physical risk paragraph 66(c).	N/a	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) No 2022/2453, paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: exposures subject to physical risk.	N/a	N/a	Immaterial	

Submission requirement and related data point	SFDR reference	Pillar 3 reference	Ref of the Benchmarks Regulation	EU Ref from Climate Law	Material/ Immaterial	Pag.
ESRS E1-9 Breakdown of the book value of buildings assets by energy efficiency classes point 67(c).	N/a	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) No 2022/2453 point 34; Form 2: Banking Portfolio - Climate Change Transition Risk: Loans Secured against Real Estate - Energy Efficiency of Collateral.	N/a	N/a	Immaterial	
ESRS E1-9 Portfolio exposure to climate-related opportunities paragraph 69	N/a	N/a	Delegated Regulation (EU) 2020/1818, Annex II	N/a	Immaterial	
ESRS E2-4 The quantity of each pollutant listed in Annex II of the European Pollutant Release and Transfer Register (E-PRTR) Regulation emitted to air, water and land, point 28	Metric No 8 in Table 1 in Annex 1 Table 1 in Annex 1 Metric No 2 in Table 2 in Annex 1 Metric No 1 in Table 2 in Annex 1 Metric No 3 in Table 2 in Annex 1	N/a	N/a	N/a	Material (emissions to water)	68
ESRS E3-1 Water and marine resources point 9	Metric No 7 in Table 2 of Annex 1	N/a	N/a	N/a	Immaterial	
ESRS E3-1 Specific policy point 13	Metric No 8 in Table 2 of Annex 1	N/a	N/a	N/a	Immaterial	
ESRS E3-1 Sustainable oceans and seas paragraph 14	Metric No 12 in Table 2 of Annex 1	N/a	N/a	N/a	Immaterial	
ESRS E3-4 Total water recycled and reused point 28(c)	Metric No 6.2 in Table 2 of Annex 1	N/a	N/a	N/a	Immaterial	
ESRS E3-4 Total consumption of water consumed in m3 per net revenue from own operations paragraph 29	Metric No 6.1 in Table 2 of Annex 1	N/a	N/a	N/a	Material	74
ESRS 2- IRO 1 - E4 point 16(a)(i)	Metric No 7 in Table 1 of Annex 1	N/a	N/a	N/a	Immaterial	
		N/a	N/a	N/a	Immaterial	
ESRS 2- IRO 1 - E4 point 16(b)	Metric No 10 in Table 2 of Annex 1	N/a	N/a	N/a	Immaterial	
ESRS 2- IRO 1 - E4 point 16(c)	Metric No 14 in Table 2 of Annex 1	N/a	N/a	N/a	Immaterial	
ESRS E4-2 Sustainable land/agriculture practices or policies point 24(b)	Metric No 11 in Table 2 of Annex 1	N/a	N/a	N/a	Immaterial	
ESRS E4-2	Metric No 12 in Table 2 of Annex 1	N/a	N/a	N/a	Immaterial	



Submission requirement and related data point	SFDR reference	Pillar 3 reference	Ref of the Benchmarks Regulation	EU Ref from Climate Law	Material/ Immaterial	Pag.
Sustainable oceans/seas policies or practices point 24(c)						
ESRS E4-2 Policies to combat deforestation paragraph 24(d)	Metric No 15 in Table 2 of Annex 1	N/a	N/a	N/a	Immaterial	
ESRS E5-5 Non-recycled waste point 37(d)	Metric No 13 in Table 2 of Annex 1	N/a	N/a	N/a	Material	81
ESRS E5-5 Hazardous waste and radioactive waste item 39	Metric No 9 in Table 1 of Annex 1	N/a	N/a	N/a	Material	81
ESRS 2- SBM3 - S1 Risk of incidents of forced labor point 14(f)	Metric No 13 in Table 3 of Annex I	N/a	N/a	N/a	Material	83
ESRS 2- SBM3 - S1 Risk of child labor incidents point 14(g)	Metric No 12 in Table 3 of Annex I	N/a	N/a	N/a	Immaterial	
ESRS S1-1 Human rights policy commitments paragraph 20	Metric No 9 in Table 3 and metric No 11 in Table 1 of Annex I	N/a	N/a	N/a	Material	87
ESRS S1-1 Due diligence policies with regard to the issues addressed by the fundamental Conventions 1-8 of the International Labor Organization paragraph 21		N/a	Delegated Regulation (EU) 2020/1816, Annex II	N/a	Material	87
ESRS S1-1 Processes and measures to prevent trafficking in human being's paragraph 22	Metric No 11 in Table 3 of Annex I	N/a	N/a	N/a	Immaterial	87
ESRS S1-1 Workplace accident prevention policy or management system point 23	Metric No 1 in Table 3 of Annex I	N/a	N/a	N/a	Material	87
ESRS S1-3 Complaints mechanisms point 32(c)	Metric No 5 in Table 3 of Annex I	N/a	N/a	N/a	Material	92
ESRS S1-14 Number of fatalities and number and rate of work-related accidents point 88(b) and (c)	Metric No 2 in Table 3 of Annex I	N/a	Delegated Regulation (EU) 2020/1816, Annex II	N/a	Material	101
ESRS S1-14 Number of days lost due to injury, accident, death or sickness point 88(e)	Metric No 3 in Table 3 of Annex I	N/a	N/a	N/a	Material	101
ESRS S1-16 Unadjusted gender pay gap point 97(a)	Metric No 12 in Table 1 of Annex I	N/a	Delegated Regulation (EU) 2020/1816, Annex II	N/a	Material	101

Submission requirement and related data point	SFDR reference	Pillar 3 reference	Ref of the Benchmarks Regulation	EU Ref from Climate Law	Material/ Immaterial	Pag.
ESRS S1-16 An excessive level of the ratio between the remuneration of the managing director and that of the employees point 97(b)	Metric No 8 in Table 3 of Annex I	N/a	N/a	N/a	Immaterial	
ESRS S1-17 Incidents of discrimination point 103(a)	Metric No 7 in Table 3 of Annex I	N/a	N/a	N/a	Material	102
ESRS S1-17 Non-compliance with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines paragraph 104(a)	Metric No 10 in Table 1 and metric No 14 in Table 3 of Annex I	N/a	Delegated Regulation (EU) 2020/1816, Annex II to Delegated Regulation (EU) 2020/1818, Article 12(1)	N/a	Material	102
ESRS 2- SBM3 - S2 Significant risk of child or forced labor in the value chain point 11(b)	Metrics 12 and 13 in Table 3 of Annex I	N/a	N/a	N/a	Material	104
ESRS S2-1 Human rights policy commitments point 17	Metric No 9 in Table 3 and metric No 11 in Table 1 in Annex 1	N/a	N/a	N/a	Material	107
ESRS S2-1 Value Chain Worker Policies paragraph 18	Metrics 11 and 4 in Table 3 in Annex 1	N/a	N/a	N/a	Material	107
ESRS S2-1 Non-compliance with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines point 19	Metric No 10 in Table 1 of Annex 1	N/a	Delegated Regulation (EU) 2020/1816, Annex II to Delegated Regulation (EU) 2020/1818, Article 12(1)	N/a	Material	107
ESRS S2-1 Due diligence policies with regard to the issues addressed by the fundamental Conventions 1-8 of the International Labor Organization paragraph 19	N/a	N/a	Delegated Regulation (EU) 2020/1816, Annex II	N/a	Material	107
ESRS S2-4 Human rights issues and incidents in its upstream and downstream value chain paragraph 36	Metric No 14 in Table 3 of Annex 1	N/a	N/a	N/a	Material	110
ESRS S3-1 Human rights policy commitments, point 16	Metric No 9 in Table 3 in Annex 1 and metric No 11 in Table 1 in Annex 1	N/a	N/a	N/a	Material (excluding indigenous populations)	112
ESRS S3-1 Non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO Principles and/or the OECD Guidelines point 17	Metric No 10 in Table 1 of Annex 1	N/a	Delegated Regulation (EU) 2020/1816, Annex II to Delegated Regulation (EU) 2020/1818, Article 12(1)	N/a	Material	112

Submission requirement and related data point	SFDR reference	Pillar 3 reference	Ref of the Benchmarks Regulation	EU Ref from Climate Law	Material/ Immaterial	Pag.
ESRS S3-4 Human rights issues and incidents paragraph 36	Metric No 14 in Table 3 of Annex 1	N/a	N/a	N/a	Material	116
ESRS S4-1 Consumer and end-user policies paragraph 16.	Metric No 9 in Table 3 and metric No 11 in Table 1 in Annex 1	N/a	N/a	N/a	Material	123
ESRS S4-1 Non-compliance with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines point 17	Metric No 10 in Table 1 of Annex 1	N/a	Delegated Regulation (EU) 2020/1816, Annex II to Delegated Regulation (EU) 2020/1818, Article 12(1)	N/a	Material	123
ESRS S4-4 Human rights issues and incidents paragraph 35	Metric No 14 in Table 3 of Annex 1	N/a	N/a	N/a	Material	130
ESRS G1-1 United Nations Convention against Corruption, point 10(b)	Metric No 15 in Table 3 of Annex 1	N/a	N/a	N/a	Material	138
ESRS G1-1 Protection of warnings point 10(d)	Metric No 6 in Table 3 of Annex 1	N/a	N/a	N/a	Material	138
ESRS G1-4 Fines for violation of laws against corruption and bribery point 24(a)	Metric No 17 in Table 3 of Annex 1	N/a	Delegated Regulation (EU) 2020/1816, Annex II	N/a	Material	138
ESRS G1-4 Standards to combat corruption and bribery and bribery point 24(b)	Metric No 16 in Table 3 of Annex 1	N/a	N/a	N/a	Material	138

### Annex 3 - Proportion of turnover generated by products or services associated with economic activities aligned to the taxonomy

Financial year 2024	Year			Criteria for substantial contribution						Criteria related to the "do no significant harm" principle									
Economic activities (1)	Code (2)	Turnover (3)	Proportion of turnover,	Climate change mitigation	Adapting to climate change (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation	Adapting to climate change (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum guarantees (17)	Proportion of turnover taxonomy-aligned (A.1.) or taxonomy-eligible (A.2.) turnover, year 2023 (18)	Facilitati on activity category (19)	Transiti on activity category (20)
		RON	%	D; N; N/EL	D; N; N/EL	D; N; N/EL	D; N; N/EL	D; N; N/EL	D; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	From facilitatio n	Transitio n
A. TAXONOMY ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (aligned to taxonomy)																			
Acquisition and ownership of buildings	CCM 7.7.	0	0%	N	N/EL	N/EL	N/EL	N/EL	N/EL	N	N	N	N	N	N	N	0%		Transitio n
Turnover of environmentally sustainable activities (aligned to taxonomy) (A.1)		0	0%	0%	0%	0%	0%	0%	0%								0%		
Of which facilitating		0	0%	0%	0%	0%	0%	0%	0%									Facilitatin g	
Of which transitional		0	0%	0%															Transitio n
A.2 Activities eligible under the taxonomy but which are not environmentally sustainable (non-taxonomy activities)																			
Acquisition and ownership of buildings	CCM 7.7.	636,676	0.02%	D	N/EL	N/EL	N/EL	N/EL	N/EL								0.03%		
Turnover from activities that are eligible under the taxonomy but are not sustainable in terms of environmentally sustainable (non-taxonomy activities) (A.2)		636,676	0.02%	0.02%	0%	0%	0%	0%	0%								0.03%		
A. Turnover of taxonomy eligible activities (A.1 + A.2)		636,676	0.02%	0.02%	0%	0%	0%	0%	0%								0.03%		
B. INELIGIBLE ACTIVITIES IN TERMS OF TAXONOMY		0	0%																
Turnover of ineligible activities in terms of taxonomy		2,714,938,035	99,98 %																
Total		2,715,574,711	100%																

### Annex 3 - Proportion of CapEx from products or services associated with economic activities aligned to the taxonomy

Financial year 2024	Year			Criteria for substantial contribution						Criteria related to the principle of "not cause significant prejudice"									
Economic activities (1)	Code (2)	CapEx (3)	Share of CapEx, year 2024 (4)	Climate change mitigation (5)	Adapting to climate change (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Adapting to climate change (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum guarantees (17)	Proportion of turnover aligned to taxonomy (A.1.) or eligible under taxonomy (A.2.) CapEx, year 2023 (18)	Category activity de facilitation (19)	Category activity transitional (20)
		RON	%	D; N; N/EL	D; N; N/EL	D; N; N/EL	D; N; N/EL	D; N; N/EL	D; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	From facilitation	Transition
<b>A. TAXONOMY ELIGIBLE ACTIVITIES</b>																			
<b>A.1. Environmentally sustainable activities (aligned to taxonomy)</b>																			
Construction of new buildings	CC M 7.1	0	0%	N	N/EL	N/EL	N/EL	N/EL	N/EL	N	N	N	N	N	N	N	0%		
Renovation of existing buildings	CC M 7.2	0	0%	N	N/EL	N/EL	N/EL	N/EL	N/EL	N	N	N	N	N	N	N	0%		Transition
<b>CapEx from environmentally sustainable activities (aligned to taxonomy) (A.1)</b>		0	0,00%	0,00%	0%	0%	0%	0%	0%								0%		
<b>Of which facilitating</b>		-	0%	0%	0%	0%	0%	0%	0%									Facilitating	
<b>Of which transitional</b>		-	0%	0%															
<b>A.2 Activities eligible under the taxonomy but which are not environmentally sustainable (non-taxonomy activities)</b>																			
Construction of new buildings	CC M 7.1	37,151,562	9.58%	0.00%	0%	0%	0%	0%	0%								0%		
Renovation of existing buildings	CC M 7.2	20,413,167	5.26%	0.00%	0%	0%	0%	0%	0%								0%		
<b>CapEx related to activities that are eligible under the taxonomy but are not environmentally sustainable (non-taxonomy activities) (A.2)</b>		57,564,729	14.8%	14.8%	0%	0%	0%	0%	0%										
<b>A. CapEx related to eligible activities in terms of taxonomy (A.1 + A.2)</b>		57,564,729	14.8%	14.8%	0%	0%	0%	0%	0%								0%		
<b>B. INELIGIBLE ACTIVITIES IN TERMS OF TAXONOMY</b>																			
<b>CapEx related to ineligible activities in terms of taxonomy</b>		330,340,975	85.2%																
<b>TOTAL</b>		387,905,704	100%																

## Annex 4 - Proportion of OpEx from products or services associated with economic activities aligned to the taxonomy

Financial year 2024	Year			Criteria for substantial contribution						Criteria related to the principle of "not cause significant harm"									
Economic activities (1)	Code (2)	OpEx (3)	Share of OpEx, year 2024 (4)	Climate change mitigation (5)	Adapting to climate change (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Adapting to climate change (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum guarantees (17)	Proportion of turnover aligned to the taxonomy (A.1.) or eligible in terms of taxonomy (A.2.) OpEx, year 2023	Facilitation activity category (19)	Transition activity category (20)
		RON	%	D; N; N/EL	D; N; N/EL	D; N; N/EL	D; N; N/EL	D; N; N/EL	D; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	From facilitation	Transition
<b>A. ELIGIBLE ACTIVITIES UNDER THE TAXONOMY'S PDVE</b>																			
<b>A.1. Environmentally sustainable activities (aligned to taxonomy)</b>																			
n.a		0	0%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	D	D	D	D	D	D	D	0%		Transition
<b>OPE related to environmentally sustainable activities (aligned to taxonomy) (A.1)</b>		0	0%	0%	0%	0%	0%	0%	0%								0%		
<i>Of which facilitating</i>		0	0%	0%	0%	0%	0%	0%	0%									Facilitating	
<i>Of which transitional</i>		0	0%	0%															Transition
<b>A.2 Activities eligible under the taxonomy but which are not environmentally sustainable (non-taxonomy activities)</b>																			
n.a		0	0%														0%		
<b>OPEX related to activities eligible under the taxonomy but which are not environmentally sustainable (non-taxonomy activities) (A.2)</b>		0	0.00%																
<b>B. INELIGIBLE ACTIVITIES IN TERMS OF TAXONOMY</b>		38.505.512	100%																
<b>TOTAL</b>		<b>38.505.512</b>	<b>100.00%</b>																



**Annex 6 - Economic activities considered (sectors with high climate impact)**

CAEN	NACErev2	CI	CAEN - Description
2110	21.10	C	Manufacture of basic pharmaceutical products
3250	32.50	C	Manufacture of medical and dental devices, appliances and instruments
4646	46.46	G	Wholesale of pharmaceuticals
4719	47.19	G	Other retail sale in non-specialized stores
4773	47.73	G	Retail sale of pharmaceutical products in specialized stores
4774	47.74	G	Retail sale of medical and orthopedic goods in specialized stores
5210	52.10	H	Deposits
6820	68.20	L	Renting and sub-letting of own or rented real estate

### Annex 7 - Water risk assessment

Water stress is defined as the ratio between total water demand and available renewable water resources, both surface and groundwater. Water demand includes uses for domestic, industrial, irrigation and livestock, while renewable water resources take into account the impact of upstream users and the influence of large dams on downstream water availability. High values of water stress suggest intense competition for water between users, which can pose a significant risk to economic sectors and local communities, especially in regions with intensive agriculture or high population density. The analysis of the areas where MedLife operates is presented below. The methodology used is the WRI Aqueduct- Water Risk Filter.

#	Legal Entity	Place of operation	2030	2050	2080	2030	2050	2080	2030	2050	2080
			Business as Usual - SSP3 RCP7.0 (2.8°C to 4.6°C)			Optimistic - SSP1 RCP2.6 (1.3°C to 2.4°C)			Pessimistic - SSP5 RCP8.5 (3.3°C to 5.7°C)		
1	Rapid Diagnostic Polyclinic SA	Brasov	Medium to high	Medium to high	Medium to high	Medium to high	Medium to high	Medium to high	Medium to high	Medium to high	High
2	Medapt SRL (indirect)*	Brasov	Medium to high	Medium to high	Medium to high	Medium to high	Medium to high	Medium to high	Medium to high	Medium to high	High
3	Histo SRL (indirect)*	Brasov	Medium to high	Medium to high	Medium to high	Medium to high	Medium to high	Medium to high	Medium to high	Medium to high	High
4	Diagnostic Polyclinic Rapid Medis SRL (indirect)*	Sfântu Gheorghe	Medium to high	Medium to high	Medium to high	Medium to high	Medium to high	Medium to high	Medium to high	Medium to high	High
5	Bahtco Invest SRL**	Bucharest	High	High	Extremely high	High	High	Extremely high	High	High	Extremely high
6	Med Life Occupational SRL	Bucharest	High	High	Extremely high	High	High	Extremely high	High	High	Extremely high
7	Pharmalife-Med SRL	Bucharest	High	High	Extremely high	High	High	Extremely high	High	High	Extremely high
8	Med Life Insurance and Reinsurance Broker SRL	Bucharest	High	High	Extremely high	High	High	Extremely high	High	High	Extremely high
9	Genesys Medical Clinic SRL (indirect)*	Arad	Low	Low	Low	Low	Low	Low	Low	Low	Low to medium
10	RUR Medical SRL (indirect)**	Brasov	Medium to high	Medium to high	Medium to high	Medium to high	Medium to high	Medium to high	Medium to high	Medium to high	High
11	Biotest Med SRL	Bucharest	High	High	Extremely high	High	High	Extremely high	High	High	Extremely high
12	Vital Test SRL	Iași	Medium to high	Medium to high	Medium to high	Medium to high	Medium to high	Medium to high	Medium to high	Medium to high	High

#	Legal Entity	Place of operation	2030	2050	2080	2030	2050	2080	2030	2050	2080
			Business as Usual - SSP3 RCP7.0 (2.8°C to 4.6°C)			Optimistic - SSP1 RCP2.6 (1.3°C to 2.4°C)			Pessimistic - SSP5 RCP8.5 (3.3°C to 5.7°C)		
13	Medical Center Sama SA	Craiova	Medium to high	Medium to high	Medium to high	Medium to high	Medium to high	Medium to high	Medium to high	Medium to high	Medium to high
14	Ultratest SA (direct and indirect)*	Craiova	Medium to high	Medium to high	Medium to high	Medium to high	Medium to high	Medium to high	Medium to high	Medium to high	Medium to high
15	Prima Medical SRL	Craiova	Medium to high	Medium to high	Medium to high	Medium to high	Medium to high	Medium to high	Medium to high	Medium to high	Medium to high
16	Stem Cells Bank SA	Timisoara	Low	Low	Low	Low	Low	Low	Low	Low	Low
17	Dent Estet Clinic SA	Bucharest	High	High	Extremely high	High	High	Extremely high	High	High	Extremely high
18	Green Dental Clinic SRL (indirect)*	Bucharest	High	High	Extremely high	High	High	Extremely high	High	High	Extremely high
19	Dent A Porter SRL (indirect)*	Bucharest	High	High	Extremely high	High	High	Extremely high	High	High	Extremely high
20	Dentestet Kids SRL (indirect)*	Bucharest	High	High	Extremely high	High	High	Extremely high	High	High	Extremely high
21	Aspen Laborator Dentar SRL (indirect)*	Bucharest	High	High	Extremely high	High	High	Extremely high	High	High	Extremely high
22	Medical Center Panduri SA	Bucharest	High	High	Extremely high	High	High	Extremely high	High	High	Extremely high
23	Almina Trading SA	Targoviste	Low	Low	Low	Low	Low	Low	Low	Low	Low
24	Anima Specialty Medical Services SRL	Bucharest	High	High	Extremely high	High	High	Extremely high	High	High	Extremely high
25	Anima Promovare si Vanzari SRL (indirect)*	Bucharest	High	High	Extremely high	High	High	Extremely high	High	High	Extremely high
26	Valdi Medica SA	Cluj	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium
27	Polisano Clinic SRL	Sibiu	Medium to high	Medium to high	Medium to high	Medium to high	Medium to high	Medium to high	Medium to high	Medium to high	High
28	Solomed Clinic SA	Pitești	High	High	Extremely high	High	High	Extremely high	High	High	Extremely high
29	Solomed Plus SRL (indirect)*	Pitești	High	High	Extremely high	High	High	Extremely high	High	High	Extremely high
30	Doctor's advice SRL	Bucharest	High	High	Extremely high	High	High	Extremely high	High	High	Extremely high
31	RMC Dentart (indirect)*	Budapest	Low	Low	Low	Low	Low	Low	Low	Low	Low to medium

#	Legal Entity	Place of operation	2030	2050	2080	2030	2050	2080	2030	2050	2080
			Business as Usual - SSP3 RCP7.0 (2.8°C to 4.6°C)			Optimistic - SSP1 RCP2.6 (1.3°C to 2.4°C)			Pessimistic - SSP5 RCP8.5 (3.3°C to 5.7°C)		
32	RMC Medical (indirect)*	Budapest	Low	Low	Low	Low	Low	Low	Low	Low	Low to medium
33	RMC Medlife	Budapest	Low	Low	Low	Low	Low	Low	Low	Low	Low to medium
34	Badea Medical SRL	Cluj	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium
35	Oncoteam Diagnostic SRL**	Bucharest	High	High	Extremely high	High	High	Extremely high	High	High	Extremely high
36	Medical Center Micromedica SRL	Piatra Neamt	Low	Low	Low	Low	Low	Low	Low	Low	Low
37	Micromedica Targu Neamt SRL (indirect)*	Targu Neamt	High	Medium to high	High	High	High	High	Medium to high	High	High
38	Micromedica Bacau SRL (indirect)*	Bacău	Low	Low	Low	Low	Low	Low	Low	Low	Low
39	Micromedica Roman SRL (indirect)*	Roman	Medium to high	Medium to high	Low	Medium to high	Medium to high	Medium to high	Medium to high	Medium to high	Medium to high
40	Medrix Center SRL (indirect)*	Roznov	Low	Low	Low	Low	Low	Low	Low	Low	Low
41	Lotus Hospital SRL	Ploiești	Low	Low	Low	Low	Low	Low	Low	Low	Low
42	Pharmachem Distributie SRL	Bucharest	High	High	Extremely high	High	High	Extremely high	High	High	Extremely high
43	KronDent SRL (indirect)*	Brasov	Medium to high	Medium to high	Medium to high	Medium to high	Medium to high	Medium to high	Medium to high	Medium to high	High
44	Medica SA	Sibiu	Medium to high	Medium to high	Medium to high	Medium to high	Medium to high	Medium to high	Medium to high	Medium to high	High
45	Dent Estet Ploiesti SRL (indirect)*	Ploiești	Low	Low	Low	Low	Low	Low	Low	Low	Low
46	Stomestet SRL (indirect)*	Cluj	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium
47	Costea Digital Dental SRL (indirect)*	Oradea	Low	Low	Low	Low	Low	Low	Low	Low	Low to medium
48	Expert Med Irina Medical Center (indirect)*	Galati	Low	Low	Low	Low	Low	Low	Low	Low	Low
49	MNT Healthcare Europe SRL	Ilfov	High	High	Extremely high	High	High	Extremely high	High	High	Extremely high
50	MNT Asset Management SRL (indirect)*	Bucharest	High	High	Extremely high	High	High	Extremely high	High	High	Extremely high

#	Legal Entity	Place of operation	2030	2050	2080	2030	2050	2080	2030	2050	2080
			Business as Usual - SSP3 RCP7.0 (2.8°C to 4.6°C)			Optimistic - SSP1 RCP2.6 (1.3°C to 2.4°C)			Pessimistic - SSP5 RCP8.5 (3.3°C to 5.7°C)		
51	Pro Life Clinics SRL (indirect)*	Iași	Medium to high	Medium to high	Medium to high	Medium to high	Medium to high	Medium to high	Medium to high	Medium to high	High
52	Onco Card SRL (indirect)*	Brasov	Medium to high	Medium to high	Medium to high	Medium to high	Medium to high	Medium to high	Medium to high	Medium to high	High
53	Onco Card Invest SRL (indirect)*	Brasov	Medium to high	Medium to high	Medium to high	Medium to high	Medium to high	Medium to high	Medium to high	Medium to high	High
54	Tomorad Expert SRL (indirect)*	Sfântu Gheorghe	Medium to high	Medium to high	Medium to high	Medium to high	Medium to high	Medium to high	Medium to high	Medium to high	High
55	IT Repair SRL (indirect)*	Targu Mures	High	Medium to high	High	High	High	High	Medium to high	High	High
56	Medici's SRL	Timisoara	Low	Low	Low	Low	Low	Low	Low	Low	Low
57	Micro-Medic SRL (indirect)*	Timisoara	Low	Low	Low	Low	Low	Low	Low	Low	Low
58	Sweat Concept One SRL	Bucharest	High	High	Extremely high	High	High	Extremely high	High	High	Extremely high
59	OptiCristal Consult SRL (indirect)*	Brasov	Medium to high	Medium to high	Medium to high	Medium to high	Medium to high	Medium to high	Medium to high	Medium to high	High
60	Alinora Optimex SRL (indirect)*	Brasov	Medium to high	Medium to high	Medium to high	Medium to high	Medium to high	Medium to high	Medium to high	Medium to high	High
61	SC M-Profilaxis SRL (indirect)*	Timisoara	Low	Low	Low	Low	Low	Low	Low	Low	Low
62	VitaCare Flav SRL (indirect)*	Pitești	High	High	Extremely high	High	High	Extremely high	High	High	Extremely high
63	Dent Estet Genesys SRL (indirect)*	Arad	Low	Low	Low	Low	Low	Low	Low	Low	Low to medium
64	Aspire Dental SRL (indirect)*	Bucharest	High	High	Extremely high	High	High	Extremely high	High	High	Extremely high
65	Sanopass SA	Targoviste	Low	Low	Low	Low	Low	Low	Low	Low	Low
66	Muntenia Medical Competences S.A. (indirect)*	Pitești	High	High	Extremely high	High	High	Extremely high	High	High	Extremely high
67	Bios Diagnostic Medical Services SRL (indirect)*	Bucharest	High	High	Extremely high	High	High	Extremely high	High	High	Extremely high
68	Diagnostic and Treatment Center Provita S.A.	Bucharest	High	High	Extremely high	High	High	Extremely high	High	High	Extremely high
69	Medical City Blue SRL (indirect)*	Bucharest	High	High	Extremely high	High	High	Extremely high	High	High	Extremely high
70	Laborator Cuza Voda SRL (indirect)*	Bucharest	High	High	Extremely high	High	High	Extremely high	High	High	Extremely high

#	Legal Entity	Place of operation	2030	2050	2080	2030	2050	2080	2030	2050	2080
			Business as Usual - SSP3 RCP7.0 (2.8°C to 4.6°C)			Optimistic - SSP1 RCP2.6 (1.3°C to 2.4°C)			Pessimistic - SSP5 RCP8.5 (3.3°C to 5.7°C)		
71	Provita Pain Clinic SA (indirect)*	Suceava	Medium to high	Medium to high	Low to medium	Medium to high	Medium to high	Medium to high	Medium to high	Medium to high	Medium to high
72	Policlinica Union SRL (indirect)*	Cluj	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium
73	Brol Medical Center S.A. (indirect)*	Timisoara	Low	Low	Low	Low	Low	Low	Low	Low	Low
74	Provita 2000 SRL (indirect)	Constanța	Low	Low	Low	Low	Low	Low	Low	Low	Low
75	Nord Management Solutions SRL (indirect)	Bucharest	High	High	Extremely high	High	High	Extremely high	High	High	Extremely high
76	Med Varix SRL (indirect)*	Timisoara	Low	Low	Low	Low	Low	Low	Low	Low	Low
77	Personal Genetics SRL	Bucharest	High	High	Extremely high	High	High	Extremely high	High	High	Extremely high
78	Nord Soma SA (indirect)	Bucharest	High	High	Extremely high	High	High	Extremely high	High	High	Extremely high
79	Super Age by Nord SA (indirect)	Bucharest	High	High	Extremely high	High	High	Extremely high	High	High	Extremely high
80	VP-MED Kereskedelmi en Szolgaltato Korlatolt Felelossegu Tarsasag	Budapest	Low	Low	Low	Low	Low	Low	Low	Low	Low to medium
81	Medical Center Antares SRL	Piatra Neamt	Low	Low	Low	Low	Low	Low	Low	Low	Low
82	Euromedica Hospital SA	Baia Mare	Low	Low	Low	Low	Low	Low	Low	Low	Low
83	Euromedica Administrator SA	Baia Mare	Low	Low	Low	Low	Low	Low	Low	Low	Low





SISTEMUL MEDICAL  
**MedLife**

## **MED LIFE GROUP**

CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024

PREPARED IN ACCORDANCE WITH THE ORDER OF THE MINISTER OF PUBLIC FINANCE  
NUMBER 2844/2016 FOR THE APPROVAL OF ACCOUNTING REGULATIONS  
IN COMPLIANCE WITH INTERNATIONAL FINANCIAL  
REPORTING STANDARDS

**Name of the issuing company:** MED LIFE S.A.  
**Registered Office:** Bucharest, 365 Calea Grivitei, 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:** J1996003709402  
**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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	Note	December 31, 2024	December 31, 2023
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Goodwill	4	492,034,979	445,395,617
Intangible assets	5	120,974,820	118,906,011
Property, plant and equipment	5	1,303,969,853	1,101,015,115
Right-of-use asset	13	386,290,334	396,569,537
Other financial assets	5.3	54,138,411	40,942,540
<b>Total Non-Current Assets</b>		<b>2,357,408,397</b>	<b>2,102,828,820</b>
<b>Current Assets</b>			
Inventories	6	148,798,218	109,657,497
Trade Receivables	7.1.	324,106,860	261,664,410
Other assets	7.2.	55,880,250	50,216,242
Cash and cash equivalents	8	112,808,224	100,271,093
Prepayments	9	17,311,896	11,699,369
<b>Total Current Assets</b>		<b>658,905,448</b>	<b>533,508,611</b>
<b>TOTAL ASSETS</b>		<b>3,016,313,845</b>	<b>2,636,337,431</b>
<b>LIABILITIES &amp; SHAREHOLDER'S EQUITY</b>			
<b>Non-Current Liabilities</b>			
Lease liability	13,14	286,025,347	309,158,946
Other long term debt	11	69,109,052	47,775,013
Interest-bearing loans and borrowings	14	1,135,073,779	1,040,639,641
Deferred tax liability	26	45,236,597	44,897,775
<b>Total Non-Current Liabilities</b>		<b>1,535,444,775</b>	<b>1,442,471,375</b>
<b>Current Liabilities</b>			
Trade and other payables	10	571,552,330	404,553,771
Overdraft	14	29,076,066	29,835,472
Current portion of lease liability	13,14	108,288,263	99,589,187
Current portion of interest-bearing loans and borrowings	14	127,417,891	82,297,342
Current tax liabilities	26	4,322,327	321,242
Provisions	12	17,409,666	11,116,544
Other liabilities	11	118,157,796	71,960,475
<b>Total Current Liabilities</b>		<b>976,224,339</b>	<b>699,674,033</b>
<b>TOTAL LIABILITIES</b>		<b>2,511,669,114</b>	<b>2,142,145,408</b>
<b>SHAREHOLDER'S EQUITY</b>			
Share capital and Share premium	15	132,562,338	132,562,338
Treasury shares		(1,760,728)	(681,892)
Reserves	17	232,230,657	212,560,216
Retained earnings		69,593,507	70,850,636
<b>Equity attributable to owners of the Group</b>		<b>432,625,774</b>	<b>415,291,298</b>
Non-controlling interests	18	72,018,957	78,900,725
<b>TOTAL EQUITY</b>		<b>504,644,731</b>	<b>494,192,023</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>3,016,313,845</b>	<b>2,636,337,431</b>

Mihail Marcu,  
CEO

Alina Irinoiu,  
CFO

	Note	2024	2023
Revenue from contracts with customers	19	2,715,574,711	2,210,435,349
Other operating income	20	8,850,263	11,300,635
<b>Operating Income</b>		<b>2,724,424,974</b>	<b>2,221,735,984</b>
Consumable materials and repair materials		(499,578,757)	(389,887,326)
Third party expenses	21	(765,622,489)	(625,309,108)
Salary and related expenses	23	(645,609,836)	(543,024,486)
Social contributions	23	(23,853,508)	(19,480,725)
Depreciation, amortization and impairment of fixed assets	5,13	(254,592,721)	(197,390,915)
Impairment losses and gains (including reversals of impairment losses)	7	(6,475,319)	(2,688,649)
Commodities expenses		(226,208,593)	(208,134,799)
Other operating expenses	22	(162,075,380)	(144,302,612)
<b>Operating expenses</b>		<b>(2,584,016,603)</b>	<b>(2,130,218,620)</b>
<b>Operating Profit</b>		<b>140,408,371</b>	<b>91,517,364</b>
Finance cost	24	(102,630,990)	(82,170,695)
Interest income	24	2,175,920	3,423,077
Other financial income	24	462,070	1,221,841
Other financial expenses	24	(1,346,241)	(9,692,103)
<b>Financial result</b>		<b>(101,339,241)</b>	<b>(87,217,880)</b>
<b>Profit Before Tax</b>		<b>39,069,130</b>	<b>4,299,484</b>
Income tax expense	26	(22,316,703)	(8,464,341)
<b>Profit / (Loss) After Tax</b>		<b>16,752,427</b>	<b>(4,164,857)</b>
Owners of the Group		25,035,987	3,684,292
Non-controlling interests	18	(8,283,560)	(7,849,149)
<b>Earnings per share</b>			
Basic earnings per share	16	0.047	0.007
Diluted earnings per share	16	0.047	0.007
<b>Other comprehensive income items that will not be reclassified to profit or loss</b>			
Revaluation of land and buildings		-	-
Deferred tax on other comprehensive income components		-	-
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>		<b>-</b>	<b>-</b>
<b>Total other comprehensive income attributable to:</b>			
Owners of the Group		-	-
Non-controlling interests		-	-
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>16,752,427</b>	<b>(4,164,857)</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the Group		25,035,987	3,684,292
Non-controlling interests	18	(8,283,560)	(7,849,149)

**Mihail Marcu,**  
CEO

**Alina Irinoiu,**  
CFO

**MED LIFE GROUP**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**  
*(all amounts are expressed in RON, unless otherwise specified)*



		<b>12 months ended December 31,</b>	
	<b>Note</b>	<b>2024</b>	<b>2023</b>
<b>Profit before tax</b>	<b>26</b>	<b>39,069,130</b>	<b>4,299,484</b>
<b>Adjustments for</b>			
Depreciation, amortization and impairment of fixed assets	<b>5,13</b>	254,592,721	197,390,915
Provisions for liabilities and charges		4,727,712	838,338
Interest revenue	<b>24</b>	(2,175,920)	(3,423,077)
Interest expense	<b>24</b>	102,630,990	82,170,695
Allowance for expected credit losses and receivables written-off	<b>7</b>	6,475,319	2,688,649
Financial Discounts		-	2,850
Unrealized exchange loss	<b>24</b>	(812,323)	9,692,103
Other income	<b>24</b>	(441,497)	(1,221,841)
<b>Operating cash flow before working capital changes</b>		<b>404,066,132</b>	<b>292,438,116</b>
(Increase) in accounts receivable		(81,969,328)	(61,538,538)
(Increase) in inventories		(36,397,101)	(5,962,324)
(Increase) /Decrease in prepayments		(5,484,731)	855,343
Increase in accounts payable		109,393,774	30,126,281
<b>Cash generated from working capital changes</b>		<b>(14,457,386)</b>	<b>(36,519,238)</b>
<b>Cash generated from operations</b>		<b>389,608,746</b>	<b>255,918,878</b>
Interest Paid	<b>14</b>	(83,880,922)	(61,662,770)
Interest received		2,175,920	3,423,077
Income Tax Paid	<b>26</b>	(22,280,461)	(14,171,759)
<b>Net cash from operating activities</b>		<b>285,623,283</b>	<b>183,507,426</b>
Acquisition of subsidiary net of cash acquired and advances for acquisition of subsidiaries	<b>4,27</b>	(51,506,359)	(66,544,664)
Purchase of intangible assets	<b>5</b>	(19,278,373)	(18,639,571)
Purchase of property, plant and equipment	<b>5</b>	(236,736,304)	(201,317,379)
<b>Net cash used in investing activities</b>		<b>(307,521,036)</b>	<b>(286,501,614)</b>
Proceeds from loans	<b>14</b>	221,540,083	284,583,155
Payment of loans	<b>14</b>	(86,221,158)	(77,658,667)
Payment of principal portion of lease liabilities	<b>14</b>	(97,366,474)	(83,856,889)
Dividends paid to NCI	<b>18</b>	(2,066,916)	(1,397,470)
Payments for purchase of treasury shares		(1,078,836)	(488,718)
Additional participation interest acquired	<b>4,27</b>	(371,815)	(6,984,284)
<b>Net cash from financing activities</b>		<b>34,434,884</b>	<b>114,197,127</b>
<b>Net change in cash and cash equivalents</b>		<b>12,537,131</b>	<b>11,202,939</b>
Cash and cash equivalents beginning of the period		100,271,093	89,068,154
<b>Cash and cash equivalents end of the period</b>		<b>112,808,224</b>	<b>100,271,093</b>

**Mihail Marcu,**  
CEO

**Alina Irinoiu,**  
CFO

**MED LIFE GROUP**  
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2024  
*(all amounts are expressed in RON, unless otherwise specified)*



	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, 2023</b>	<b>132,870,492</b>	<b>(681,892)</b>	<b>(308,155)</b>	<b>63,063,167</b>	<b>149,497,049</b>	<b>70,850,636</b>	<b>415,291,298</b>	<b>78,900,725</b>	<b>494,192,023</b>
Profit of the year	-	-	-	-	-	25,035,987	25,035,987	(8,283,560)	16,752,427
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,035,987</b>	<b>25,035,987</b>	<b>(8,283,560)</b>	<b>16,752,427</b>
Recognition of other reserves for fiscal purposes (legal reserves) (Note 17)	-	-	-	751,581	-	(751,581)	-	-	-
Recognition of other reserves (Note 17)	-	-	-	18,918,860	-	(18,918,860)	-	-	-
Additional non-controlling interest arising as of result of business combinations (Note 18)	-	-	-	-	-	-	-	3,065,788	3,065,788
Subsequent acquisition of NCI (Note 18)	-	-	-	-	-	(6,622,675)	(6,622,675)	197,920	(6,424,755)
Distribution of dividends (Note 15)	-	-	-	-	-	-	-	(1,861,916)	(1,861,916)
Increase from own shares acquisition (Note 15)	-	(1,078,836)	-	-	-	-	(1,078,836)	-	(1,078,836)
<b>Balance as at December 31, 2024</b>	<b>132,870,492</b>	<b>(1,760,728)</b>	<b>(308,155)</b>	<b>82,733,608</b>	<b>149,497,049</b>	<b>69,593,507</b>	<b>432,625,774</b>	<b>72,018,957</b>	<b>504,644,731</b>

Please refer to Note 17 Reserves for explained movement during 2024 and Note 18 for transactions during 2024 with Non-controlling interest.

**Mihail Marcu,**  
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**Alina Irinoiu,**  
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**MED LIFE GROUP**  
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2024  
*(all amounts are expressed in RON, unless otherwise specified)*



	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>131,596,254</b>	<b>416,780,834</b>	<b>65,257,411</b>	<b>482,038,245</b>
Profit of the year	-	-	-	-	-	3,684,292	3,684,292	(7,849,149)	(4,164,857)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,684,292</b>	<b>3,684,292</b>	<b>(7,849,149)</b>	<b>(4,164,857)</b>
Recognition of other reserves for fiscal purposes (legal reserves)	-	-	-	821,321	-	(821,321)	-	-	-
Recognition of other reserves	-	-	-	7,147,652	-	(7,147,652)	-	-	-
Increase in share capital through incorporation of reserves	99,652,869	-	(50,594,933)	-	-	(49,057,937)	-	-	-
Additional non-controlling interest arising as of result of business combinations	-	-	-	-	-	-	-	27,511,565	27,511,565
Subsequent acquisition of NCI	-	-	-	-	-	(7,403,000)	(7,403,000)	(4,118,681)	(11,521,681)
Distribution of dividends	-	-	-	-	-	-	-	(1,900,421)	(1,900,421)
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>63,063,167</b>	<b>149,497,049</b>	<b>70,850,636</b>	<b>415,291,298</b>	<b>78,900,725</b>	<b>494,192,023</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, 74 clinics, 17 hospitals, 3 maternities and 1 Stem cells bank, 42 laboratories, 20 pharmacies and 18 dental clinics. The Group has also over 170 private clinic partners around Romania.

Medlife is the leading private health care services provider in Romania in terms of sales, having a significant market share at a national level.

The ultimate parent of the Group is Med Life SA. In accordance with the provisions of the Law no. 129/2019, the Group has identified the following controlling parties:

### **The Marcu family:**

1. Mr. Mihail Marcu, considering his quality of shareholder of the Company, which holds a percentage of 13.7248% of its share capital;
2. Mr. Nicolae Marcu, considering his quality of shareholder of the Company, which holds a percentage of 10.2791% of its share capital;
3. Mrs. Mihaela Gabriela Cristescu, considering her quality of shareholder of the Company, which holds a percentage of 14.0443% of its share capital.

Considering the family relations between the persons mentioned above, namely the fact that Mr. Mihail Marcu and Mr. Nicolae Marcu are the sons of Mrs. Mihaela Gabriela Cristescu, and the fact that together they own more than 25% of the total share capital of the company, it was established that they control the company together and are the final beneficiaries of its activity.

The entities part of MedLife Group as at December 31, 2024 and December 31, 2023 are as follows (ownership percentage):

**MED LIFE GROUP**  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(all amounts are expressed in RON, unless otherwise specified)



No.	Entity	Main activity	Location	31 December 2024	31 December 2023
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	50%	50%
4	Policlinica de Diagnostic Rapid Medis SRL (indirect)*	Medical Services	Sfantu Gheorghe, Romania	66%	66%
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	merged under Genesys Medical Clinic SRL	83%
10	Genesys Medical Clinic SRL (indirect)*	Medical Services	Arad, Romania	83%	83%
11	Bactro SRL (indirect)*	Medical Services	Deva, Romania	merged under Genesys Medical Clinic SRL	83%
12	Transilvania Imagistica SA (indirect)*	Medical Services	Oradea, Romania	merged under Genesys Medical Clinic SRL	83%
13	Biofarm Farmec SRL (indirect)*	Distribution of Pharmaceutical Products in specialised stores	Arad, Romania	merged under Pharmalife-Med SRL	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	merged under Anima Specialty Medical Services SRL	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%	65%
23	Green Dental Clinic SRL (indirect)*	Dental healthcare	Bucharest, Romania	33%	33%
24	Dentist 4 Kids SRL (indirect)*	Dental healthcare	Bucharest, Romania	merged under Dent Estet Clinic SA	65%
25	Dent A Porter SRL (indirect)*	Dental healthcare	Bucharest, Romania	34%	34%
26	Dentestet Kids SRL (indirect)*	Dental healthcare	Bucharest, Romania	34%	34%
27	Aspen Laborator Dentar SRL (indirect)*	Dental healthcare	Bucharest, Romania	49%	49%
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 2024	31 December 2023
36	Ghencea Medical Center SA	Medical Services	Bucharest, Romania	merged under Anima Specialty Medical Services SRL	100%
37	Sfatul medicului SRL	Medical Platform	Bucharest, Romania	100%	100%
38	RMC Dentart (indirect)*	Dental healthcare	Budapesta, Hungary	89%	88%
39	RMC Medical (indirect)*	Medical Services	Budapesta, Hungary	89%	88%
40	RMC Medlife	Holding	Budapesta, Hungary	89%	88%
41	Badea Medical SRL	Medical Services	Cluj, Romania	65%	65%
42	Oncoteam Diagnostic SRL**	Medical Services	Bucharest, Romania	100%	100%
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	merged under Anima Specialty Medical Services SRL	100%
50	Centrul Medical Matei Basarab SRL (indirect)*	Medical Services	Bucharest, Romania	merged under Anima Specialty Medical Services SRL	100%
51	Pharmachem Distributie SRL	Distribution of Pharmaceutical Products in specialised stores	Bucharest, Romania	75%	75%
52	CED Pharma SRL (indirect)*	Distribution of Pharmaceutical Products in specialised stores	Bucharest, Romania	merged under Pharmalife-Med SRL	100%
53	Leti Pharm 2000 SRL (indirect)*	Distribution of Pharmaceutical Products in specialised stores	Bucharest, Romania	merged under Pharmalife-Med SRL	100%
54	Monix Pharm SRL (indirect)*	Distribution of Pharmaceutical Products in specialised stores	Bucharest, Romania	merged under Pharmalife-Med SRL	100%
55	KronDent SRL (indirect)*	Dental healthcare	Brasov, Romania	39%	39%
56	Medica SA	Medical Services	Sibiu, Romania	60%	60%
57	Dent Estet Ploiesti SRL (indirect)*	Dental healthcare	Ploiesti, Romania	33%	33%
58	The Lab Stomestet SRL (indirect)*	Dental healthcare	Cluj, Romania	merged under Stomestet SRL	39%
59	Stomestet SRL (indirect)*	Dental healthcare	Cluj, Romania	60%	39%
60	Stomestet Plus SRL (indirect)*	Dental healthcare	Cluj, Romania	merged under Stomestet SRL	39%
61	Costea Digital Dental SRL (indirect)*	Dental healthcare	Oradea, Romania	38%	38%
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	merged under Anima Specialty Medical Services SRL	100%
66	Pro Life Clinics SRL (indirect)*	Medical Services	Iasi, Romania	78%	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%	66%
70	IT Repair SRL (indirect)*	Medical Services	Targu Mures, Romania	50%	50%

No.	Entity	Main activity	Location	31 December 2024	31 December 2023
71	Medici's SRL	Medical Services	Timisoara, Romania	80%	80%
72	Micro-Medic SRL (indirect)*	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	50%	50%
75	Alinora Optimex SRL (indirect)*	Medical Services	Brasov, Romania	50%	50%
76	Medicris SRL (indirect)*	Medical Services	Oradea, Romania	merged under Genesys Medical Clinic SRL	83%
77	Triamed SRL (indirect)*	Medical Services	Oradea, Romania	merged under Genesys Medical Clinic SRL	83%
78	SC M-Profilaxis SRL (indirect)*	Medical Services	Timisoara, Romania	100%	80%
79	VitaCare Flav SRL (indirect)*	Medical Services	Pitesti, Romania	51%	51%
80	Dent Estet Genesys SRL (indirect)*	Medical Services	Arad, Romania	74%	74%
81	Aspire Dental SRL (indirect)*	Dental healthcare	Bucharest, Romania	65%	65%
82	Sanopass SA	Medical Platform	Targoviste, Romania	100%	63%
83	Muntenia Medical Competences S.A. (indirect)*	Medical Services	Pitesti, Romania	51%	51%
84	Bios Diagnostic Medical Services SRL (indirect)*	Medical Services	Bucharest, Romania	51%	51%
85	Centrul de Diagnostic si Tratament Provita S.A.	Medical Services	Bucharest, Romania	51%	51%
86	Medical City Blue SRL (indirect)*	Medical Services	Bucharest, Romania	51%	51%
87	Laborator Cuza Voda SRL (indirect)*	Medical Services	Bucharest, Romania	51%	51%
88	Provita Pain Clinic SA (indirect)*	Medical Services	Suceava, Romania	36%	36%
89	Polidinică Sf. Ilie SRL (indirect)*	Medical Services	Craiova, Romania	merged under Anima Specialty Medical Services SRL	100%
90	Polidinică Union SRL (indirect)*	Medical Services	Cluj, Romania	51%	51%
91	Brol Medical Center S.A. (indirect)*	Medical Services	Timisoara, Romania	56%	56%
92	Provita 2000 SRL (indirect)	Medical Services	Constanta, Romania	100%	0%
93	Nord Management Solutions SRL (indirect)	Development of building projects	Bucharest, Romania	51%	51%
94	Med Varix SRL (indirect)*	Medical Services	Timisoara, Romania	56%	0%
95	Personal Genetics SRL	Medical Services	Bucharest, Romania	100%	0%
96	Nord Soma SA (indirect)	Medical Services	Bucharest, Romania	51%	0%
97	Super Age by Nord SA (indirect)	Medical Services	Bucharest, Romania	51%	0%
98	VP-MED Kereskedelmi es Szolgaltato Korlatolt Felelossegu Tarsasag	Medical Services	Budapest, Hungary	100%	0%
99	Centrul Medical Antares SRL	Medical Services	Piatra Neamt, Romania	100%	0%
100	Euromedica Hospital SA	Medical Services	Baia Mare, Romania	80.33%	0%
101	Euromedica Administrator SA	Holding	Baia Mare, Romania	80.33%	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 from S.A. to S.R.L.

\*\*\*Starting January 2024, Ghencea Medical Center SA, Clinica Life-Med SRL, Laborator Maricor SRL, Polidinică Sf. Ilie SRL, Diamed Center SRL and Centrul Medical Matei Basarab SRL merged under Anima Specialty Medical Services SRL.;

Accipiens SA, Transilvania Imagistica SA, Bactro SRL and Triamed SRL merged under Genesys Medical Clinic SRL.;

Biofarm Farmec SRL, CED Pharma SRL, Leti Pharm 2000 SRL and Monix Pharm SRL merged under Pharmedlife-Med SRL.

\*\*\*\* Starting April 9<sup>th</sup> 2024, The Lab Stomestet SRL and Stomestet Plus SRL merged under Stomestet SRL.

\*\*\*\*\*Starting December 2024 Medicris S.R.L. was absorbed by Genesys Medical Clinic S.R.L and Dentist 4Kids S.R.L. was absorbed by Dent Estet Clinic S.A.

## 2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

### 2.1 Changes in accounting policy and disclosures

The accounting policies adopted are consistent with those of the previous financial year except for the following IFRS and amendments to IFRS which have been adopted by the Group as of 1 January 2024:

- IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (Amendments)
- IFRS 16 Leases: Lease Liability in a Sale and Leaseback (amendments)
- IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments Disclosure - Supplier Finance Arrangements (Amendments)

The newly adopted IFRS and amendments to IFRS did not have a material impact on the Group's accounting policies.

- **IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (Amendments)**

The amendments are effective for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted. The objective of the amendments is to clarify the principles in IAS 1 for the classification of liabilities as either current or non-current. The amendments clarify the meaning of a right to defer settlement, the requirement for this right to exist at the end of the reporting period, that management intent does not affect current or non-current classification, that options by the counterparty that could result in settlement by the transfer of the entity's own equity instruments do not affect current or non-current classification. Also, the amendments specify that only covenants with which an entity must comply on or before the reporting date will affect a liability's classification. Additional disclosures are also required for non-current liabilities arising from loan arrangements that are subject to covenants to be complied with within twelve months after the reporting period.

The amendment does not have a material impact on the Group's financial statements.

- **IFRS 16 Leases: Lease Liability in a Sale and Leaseback (amendments)**

The amendments are effective for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted. The amendments are intended to improve the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction in IFRS 16, while it does not change the accounting for leases unrelated to sale and leaseback transactions. In particular, the seller-lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use it retains. Applying these requirements does not prevent the seller-lessee from recognising, in profit or loss, any gain or loss relating to the partial or full termination of a lease. A seller-lessee applies the amendment retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, being the beginning of the annual reporting period in which an entity first applied IFRS 16.

The amendment is not applicable for the group as it does not have transactions of sale and leaseback.

- **IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments Disclosure - Supplier Finance Arrangements (Amendments)**

The amendments are effective for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted. The amendments supplement requirements already in IFRS and require an entity to disclose the terms and conditions of supplier finance arrangements. Additionally, entities are required to disclose at the beginning and end of reporting period the carrying amounts of supplier finance arrangement financial liabilities and the line items in which those liabilities are presented as well as the carrying amounts of financial liabilities and line items, for which the finance providers have already settled the corresponding trade payables. Entities should also disclose the type and effect of non-cash changes in the carrying amounts of supplier finance arrangement financial liabilities, which prevent the carrying amounts of the financial liabilities from being comparable. Furthermore, the amendments require an entity to disclose at the beginning and end of the reporting period the range of payment due dates for financial liabilities owed to the finance providers and for comparable trade payables that are not part of those arrangements.

Management have taken into account the IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments Disclosure - Supplier Finance Arrangements (Amendments) when preparing the financial statements of current year. The amendments do not have a material impact on preparation of the Statement of Cash Flows.

## **2.2 Standards issued endorsed by the European Union but not yet effective and not early adopted**

- **IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (Amendments)**

The amendments are effective for annual reporting periods beginning on or after January 1, 2025, with earlier application permitted. The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. A currency is considered to be exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. If a currency is not exchangeable into another currency, an entity is required to estimate the spot exchange rate at the measurement date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments note that an entity can use an observable exchange rate without adjustment or another estimation technique.

The amendments have not yet been endorsed by the European Union, however management anticipates that there will not be a material impact, considering the group mainly uses in majority of transactions, the national currency RON and reports in this certain currency as well.



## 2.3 Standards that are not yet effective and they have not yet been endorsed by the European Union

- **Amendment in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. In December 2015 the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting.

The amendments have not yet been endorsed by the European Union, however the Group anticipates that the adoption of these new standards and amendments to the existing standards will have no material impact on the financial statements of the Group in the period of initial application.

- **IFRS 18 Presentation and Disclosures in Financial Statements**

The amendment is effective as of 1 January 2027 and is issued by IASB on 9 April 2024 will replace IAS 1 Presentation of Financial Statements. Standard introduces three sets of new requirements to improve companies' reporting of financial performance and give investors a better basis for analysing and comparing companies. The main changes in the new standard compared with IAS 1 comprise: (a) The introduction of categories (operating, investing, financing, income tax and discontinued operations) and defined subtotals in the statement of profit or loss; (b) the introduction of requirements to improve aggregation and disaggregation; (c) The introduction of disclosures on Management-defined Performance Measures (MPMs) in the notes to the financial statements.

The amendments have not yet been endorsed by the European Union, however the Group is currently assessing the potential impact of the adoption of these new standards and amendments to the existing standards on the financial statements of the Group in the period of initial application.

- **IFRS 19 Subsidiaries without Public Accountability: Disclosures**

The standard is issued by IASB on 9 May 2024 and is effective starting 1 January 2027. Standard permits a subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements. IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

The standard has not yet been endorsed by the European Union, however the Group anticipates that the adoption of these new standards and amendments to the existing standards will have no material impact on the financial statements of the Group in the period of initial application.

- **Amendments to IFRS 9 and IFRS 7 - Amendments to the Classification and Measurement of Financial Instruments**

The amendment is effective as of 1 January 2026 and is issued by IASB on 30 May 2024. Amendments clarify the classification of financial assets with environmental, social and corporate governance (ESG) and similar features. Amendments also clarify the date on which a financial asset or financial liability is derecognised and introduce additional disclosure requirements regarding investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features.

The amendments have not yet been endorsed by the European Union, however the Group anticipates that the adoption of these new standards and amendments to the existing standards will have no material impact on the financial statements of the Group in the period of initial application.

- **Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity**

The amendment is effective as of 1 January 2026 and is issued by IASB on 18 December 2024. The own-use requirements in IFRS 9 are amended to include the factors an entity is required to consider when applying IFRS 9:2.4 to contracts to buy and take delivery of renewable electricity for which the source of production of the electricity is nature-dependent. The hedge accounting requirements in IFRS 9 are amended to permit an entity using a contract for nature-dependent renewable electricity with specified characteristics as a hedging instrument to designate a variable volume of forecast electricity transactions as the hedged item if specified criteria are met and to measure the hedged item using the same volume assumptions as those used for the hedging instrument. Amendments to IFRS 7 and IFRS 19 to introduce disclosure requirements about contracts for nature-dependent electricity with specified characteristics.

The amendments have not yet been endorsed by the European Union, however the Group anticipates that the adoption of these new standards and amendments to the existing standards will have no material impact on the financial statements of the Group in the period of initial application.

- **IFRS 14 – Regulatory Deferral Accounts**

The standard is effective as of 1 January 2016 and was issued by the IASB on 30 January 2014. IFRS 14 permits first-time adopters of IFRS to continue recognizing regulatory deferral account balances in accordance with their

previous GAAP upon transition to IFRS. However, it requires these balances to be presented separately in the financial statements and prohibits recognizing new regulatory deferral account balances after the transition date. The standard does not apply to entities that have already adopted IFRS. It includes disclosure requirements to enhance transparency regarding the nature and financial effects of regulatory deferral accounts. IFRS 14 has not been endorsed by the European Union, and the Group does not expect its adoption to have any impact on the financial statements, as the Group is not a first-time adopter of IFRS.

### **3. MATERIAL ACCOUNTING POLICIES**

The material accounting policies adopted in the preparation of these consolidated financial statements of the Group are set out below.

#### **3.1 Statement of compliance**

These consolidated financial statements of the Group have been prepared in accordance with the provisions of Order No. 2844/2016 for the approval of accounting regulations in accordance with International Financial Reporting Standards applicable to commercial companies whose securities are admitted to trading on a regulated market, with subsequent amendments and clarifications ("OMFP 2844/2016"). 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 2023, except for the adoption of new standards effective as of January 1<sup>st</sup> 2024. The financial year corresponds to the calendar year.

Other aspects – format according to the requirements of the European Securities and Markets Authority ("ESMA") Due to the technical limitations of the software used for the presentation of the consolidated financial statements in the single European electronic format ("ESEF"), the tables included in the notes to the consolidated financial statements are displayed in a linear, logical and easy to understand manner.

#### **3.2 Basis of preparation**

The consolidated financial statements of MedLife Group, hereinafter referred to also as "the Group", are presented in RON ("Romanian Leu"), using the going concern principle. The consolidated 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, as presented in the notes to the financial statements.

#### **3.3 Going Concern**

These consolidated financial statements have been prepared on a going concern basis, 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.

For the purposes of assessing liquidity and going concern, the Group has modelled scenarios reflecting suitable assumptions over the next 12-month period from signing date that serve to inform the decisions the Group takes regarding future cost savings, cash generation, debt covenants and levels of investment. The Group's financial performance to date in 2025 across all revenue streams has been in line with the modelled scenarios.

The increase in net current liabilities (defined as current liabilities minus current assets), from RON 166,165,422 to RON 317,318,891 is situational, indicative of the Group's strategy to leverage short-term funding for growth opportunities or strategic investments, which is typical in periods of expansion. The Group had two significant organic projects started in the past two years (Hospitals in Bucharest and Timisoara), and even though they are in different stages of maturity, are already starting to yield tangible benefits. The Group maintains robust cash flow management practices, ensuring liquidity to meet its short-term obligations. Furthermore, the expected evolution of the Group remains favorable, as the increase in liabilities is well-supported by strong operational performance, efficient working capital management and a healthy pipeline of revenue-generating activities. Based on current financial projections and market conditions, along with the cash-flow projections, there are no indications of solvency issues or risks to the Group's ability to continue as a going concern. Therefore, the financial outlook remains positive, and the Group is well-positioned to meet its obligations without encountering any difficulties.

As a result of the recent signing on 25 March 2025 of the increase in facility of the syndicated loan contract, the Group has also an additional undrawn facility of an amount of EUR 50m, which along with other liquidity of the Group, will be used for possible new acquisition opportunities on the market as well as organic development projects.

All measures taken have been decided upon having in mind the Group's strategy to better position itself to all the new market changes, on the long term. As a consequence, the management focused on increasing efficiency of its operations in order to obtain better flexibility over capitalizing market opportunities.

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 Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Parent Company (Med Life S.A.) and entities controlled by the Company (its subsidiaries).

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns. Generally, there is a presumption that a majority of voting rights results in control.

To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the group's accounting policies.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group assets and liabilities, equity, income, expenses and cashflows related to transactions between members of the Group are eliminated in full on consolidation. Non-controlling interests in subsidiaries are identified separately from the Group's equity therein.

The interests of non-controlling shareholders are initially measured at the non-controlling interests' proportionate share of the fair value of the acquired company's identifiable net assets.

Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

### **3.5 Business combinations**

Acquisitions of businesses are accounted for using the acquisition method. The cost of acquisition is measured at the aggregate of the consideration transferred which is measured at the acquisition date fair value of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognized at their fair value at the acquisition date. Acquisition-related costs are expensed as incurred and included in administrative expenses.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. These interests of noncontrolling shareholders are initially measured at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Goodwill is initially measured at cost, being the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed. If, after reassessment, the

net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination.

After initial recognition, goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any. Goodwill is tested for impairment annually as at 31 December and when circumstances indicate that the carrying value may be impaired.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss in the consolidated statement of comprehensive income/income statement. An impairment loss recognized for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

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

The preparation of the consolidated 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. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

#### **3.6.1. Judgements**

In the process of applying the Group's accounting policies, the following judgments were made, particularly with respect to the following:

##### ***Determining the lease term of contracts with renewal and termination options – Group as a lessee***

MedLife Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group has lease contracts which include extension and termination options.

The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. When determining the lease term to be used for the measurement of the lease, the Group takes into account all the relevant facts and circumstances that create an economic incentive for exercising either the extension or termination option of the lease term.

For leases of buildings, cars and equipment, the following factors are normally the most relevant:

- If there are significant penalty payments to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate).
- Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.
- If the Group considers that some of the lease agreement shall be terminated earlier, then the assumption of the tenor shall be reassessed accordingly in order to fairly represent the management's view of the leased asset's impact to the financial statements.
- In case of lease term in relation to indefinite lease contracts the assumption applied was that the lease term will be similar to other contracts signed with the same provider or based on the relevant period beyond which the exercise of any option becomes uncertain.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

Please see note 13.

### **Separate performance obligations for stem cells contracts**

In case of revenues obtained from stem cells processing and storage, the Group considers whether there are two promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. Therefore, the Group has identified two separate performance obligations of a multi-component business: the production or processing of stem cells and the storage of cell deposits and allocates the part of the total transaction price corresponding to the storage component on a cost plus basis, with the remaining consideration being allocated to the production and processing component.

### **Intangible assets with definite or indefinite useful life**

The Group's management normally uses judgement to assess whether its intangible assets have a definite or indefinite life and revises periodically this estimate.

The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

This assessment is made based on the way management continues to generate benefits from these assets and an important trigger for a change from indefinite to definite useful life includes the large number of business acquisitions, specific to Medlife Group in the recent years, followed by the most recent merger projects between subsidiaries, which indicated that trademarks allocated to a specific GCGU or CGU will most likely generate net cash flows for a limited period of time. Starting with 2024, the Group decided to allocate a definite useful life for trademarks, which initially had an indefinite useful life.

### **Capitalisation of major inspections or components replacement (including spare parts)**

The Group exercises judgement in deciding whether or not there are items that should be capitalised as items of property, plant and equipment. In case of major inspections, the cost can be recognised in the carrying amount of the item of property, plant and equipment, as a replacement, if the recognition criteria are satisfied. Individual components of a significant amount in the total value of an equipment may be replaced, as well as spare parts which in aggregate can become of a significant value that satisfy the recognition criteria. Management performs an assessment whether the replacement increases the performance of the asset or increases its useful life and capitalises the costs incurred if the recognition criteria are met.

### **Fair value assets and liabilities acquired**

The Group determines the fair value of the classes of assets and liabilities resulted from business combination, based on the reports prepared by an independent certified evaluator. As judgement is required to determine the classes of properties, other criteria and aggregation levels for classes of assets may also be appropriate, provided they are based on the risk profile of the assets.

### **Cash generating units (CGUs) or Group of CGUs (GCGUs)**

Management exercises judgement in determining the appropriate level of grouping assets into CGUs, based on the fact that they share significant common infrastructure.

Starting with 2024, there are 6 GCGUs included in the valuation process, as the design and management of the Group's operations is no longer determined based on the legal structure of the group, instead being influenced by the operational structure and the way in which management monitors its investment efforts and expected financial results.

Management considers that this change related to the number of existing GCGUs is more appropriate, taking into account the changes in Group's operations, with different utilisation of assets in undertaking the activities. Triggers for the change in which Goodwill is monitored at Group level include: the recent business combinations, specific to Group Medlife in the recent years, with merger projects implemented during 2024 and entry to or exit from new markets or regions, also specific to Group Medlife in the recent years. The Group's strategy looks forward to consolidate in large cities, with over 150,000 inhabitants, through the Medlife brand network, but also in medium and small cities through the Sfanta Maria brand, considering the large number of acquisitions in recent years. Management considers that **the network approach by country is more relevant and aligned** with the current Group's strategy, which aims to continue its expansion in Central Europe, and that will create consistency in identification of GCGUs as the Group will penetrate other EU countries in the near future.

### **Control over subsidiaries**

The Group assesses whether or not it has control over the acquired companies based on whether it has the practical ability to direct the relevant activities of the targets, immediately after acquisition. Please see note 27.

In relation with the acquisition in 2022 of the MNT companies (or Group Neolife, consisting of MNT Healthcare and MNT Asset Management), where 50% of the voting rights were acquired, the Group has established to have control over them. Considering the 50:50 shareholding structure, the Board of Directors structure, where the Group nominates 3 members out of 5 while MNT nominates only 2 members out of 5 and that the ratio will be respected within each period, together with the responsibilities set for decision making process and execution of responsibilities, the Group has concluded that it has power over the investee.

In respect of exposure, or rights, to variable returns from its involvement with MNT, Group Medlife has a 50% share to the returns in the Subsidiary, in line with Articles of Incorporation.

In respect of the ability to use its power over the investee to affect the amount of the investor's returns, according to Articles of Incorporation, the Board of directors (which is controlled by MedLife given the 3-2 ratio) is in charge with the



preparation and approval of the budget and business plan, including investment strategy. In 2022, investment in 3 new centers was drafted and approved. Reinvestment of profit, together with Banks financing were also approved by the Board of Directors. During 2023, 2 new medical centers were opened in July, following the directions set out in the previous approved business plan.

### **3.6.2. Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

#### **Revaluation of Land and Buildings**

The Group accounts for land and building using the revaluation model based on market comparative valuations performed by certified ANEVAR professional, as per revaluation reports concluded as at 31 December 2022. The valuations conform to International Valuation Standards. Please refer to Note 5 for further information.

IAS 16 requires valuations to be performed with sufficient regularity as to ensure that the fair value does not materially differ from the carrying amount. As of 31 December 2024, considering the evolution of the market prices for real estate properties and the recent revaluation which took place at the end of 2022, management has reached to the conclusion that the carrying amount at 31 December 2024 does not materially differ from the fair value for both Land and Buildings. Part of the items related to Land and Buildings are included in the group cash-generating units established for the Group and annually tested for impairment as part of the goodwill impairment testing.

#### **Impairment of non-financial assets**

The Group bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of six years. A long-term growth rate is calculated and applied to project future cash flows after the sixth year.

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a DCF (discounted cash flow) model. The cash flows are derived from the budget for the next six years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU and GCGUs being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with definite or indefinite useful lives recognised by the Group. The key assumptions used to determine the recoverable amount for the different CGUs or GCGUs, including a sensitivity analysis, are disclosed and further explained in notes.

#### **Allowance for expected credit losses of trade receivables and long-term receivables for stem cells processing**

The Group always recognises lifetime expected credit losses (ECL) for trade receivables and long-term receivables for stem cells processing. In the case of trade receivables, the expected credit losses are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

In determining adjustments for impairment of receivables, management incorporates forward-looking information, exercises professional judgement and uses estimates and assumptions. Estimation of expected credit risk losses involved forecasting future macroeconomic conditions for the next year, adjusted to the average for 2025-2026 period in terms of GDP growth. More details on the provision matrix can be found in note 7 dedicated to receivables.

In the case of long-term receivables for stem cells processing, the Group recognises an allowance based on the loss rate assigned for the established buckets, which reflect the credit risk characteristics of the stem cells receivables, as the payments are usually due in several years. The allowance represents the Group's best estimate of the losses inherent in the receivables portfolio as of the reporting date. Please see note 3.13.1. and 5.3. for more details.

#### **Provision for litigation**

Provisions for litigation are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation (legal or constructive) arising from past events, and a reliable estimate can be made of the obligation.

Management assesses ongoing litigation cases based on the information available at the reporting date, including legal advice and historical outcomes. The provision for litigation is estimated by evaluating the likelihood of unfavorable outcomes and the associated financial impact. Due to the inherent uncertainty in litigation, actual outcomes may differ from the estimates made, potentially resulting in adjustments to the provision in future reporting periods.

Please see note 12 for further details.



### 3.7 Foreign currency and translation

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

These consolidated financial 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 2024 were RON 4.9741 for EUR 1 (31 December 2023: RON 4.9746 for EUR 1), respectively RON 1.2106 for HUF 100 (31 December 2023: RON 1.2995 for 100 HUF).

The average exchange rates for the period of 12 months 2024 were RON 4.9746 for EUR 1 (12 months 2023: RON 4.9465 for EUR 1), respectively RON 1.2586 for HUF 100 (12 months 2023: RON 1.2960 for HUF 100).

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

Transactions in foreign currencies are initially recorded at the respective functional currency exchange rate valid at the time of the transaction. Foreign currency monetary assets and liabilities are translated 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.

#### **Translation of foreign operations**

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at the exchange rates prevailing at the reporting date. Income and expense items are translated at the average exchange rates for the period. Foreign exchange differences arising from the translation are recognised in comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is reclassified to profit or loss.

### 3.8 Property, plant and equipment

#### **Property, plant and equipment under the revaluation model**

Land and buildings held for use in the supply of services, or for administrative purposes, are stated in the statement of financial position at their fair value, being the revalued amount at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

The value of land and buildings owned presented in these consolidated financial statements is based on the valuation reports which were prepared as of December 31, 2022 by independent valuers certified by ANEVAR, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The following steps were taken to estimate the fair value of the assets: analysis of assets subject to valuation; the evaluation approaches and the valuation methods applied were based on the category of assets analysed, their location, their characteristics, specific market information; application of appropriate valuation methods for each asset category (i.e. land and buildings) subject to evaluation and estimation of the fair value of the assets analysed at the valuation date, 31 December 2022. The land is not depreciated.

Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

Accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

A revaluation surplus is recorded in OCI and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation surplus.

The Group transfers the revaluation surplus included in equity in respect of an item of property, plant and equipment directly to retained earnings when the asset is derecognised (i.e. retired or disposed of).

#### **Property, plant and equipment using the cost model**

Leasehold improvements fall in this category and are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is recognised on a straight-line basis over the estimated useful life. The estimated useful life for this type of asset is usually over the life of the lease, considering any potential contract prolongations.

Installations and equipment are also stated at cost, less accumulated depreciation and accumulated impairment losses, if any.

Assets under construction are recorded at cost, less accumulated impairment losses and depreciated once they become available for use.

An item of property, plant and equipment is initially recorded at cost. Cost includes all costs necessary to bring the asset to working condition for its intended use. This includes not only its original purchase price, but also costs of site preparation, delivery and handling, installation, related professional fees for architects and engineers, and the estimated cost of dismantling and removing the asset and restoring the site, if the case.

Proceeds from selling items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management are not deducted from the cost of the item of property, plant and equipment, but recognised in profit or loss.

An entity evaluates under the recognition principle all its property, plant and equipment costs at the time they are incurred. These costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of it.

A condition of continuing to operate an item of property, plant and equipment may be performing regular major inspections for faults regardless of whether parts of the item are replaced.

Costs with capital repairs are included in the carrying amount of the asset when it is probable that future economic benefits above the initially evaluated standard of performance of the existing asset will be transferred to the Group. Capital repairs are depreciated over the remaining useful period of the respective asset.

When each major inspection is performed, its cost is recognised in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any remaining carrying amount of the cost of the previous inspection (as distinct from physical parts) is derecognised. This occurs regardless of whether the cost of the previous inspection was identified in the transaction in which the item was acquired or constructed. If necessary, the estimated cost of a future similar inspection may be used as an indication of what the cost of the existing inspection component was when the item was acquired or constructed.

Expenses for repairs and maintenance are recognized in the profit or loss account when incurred.

In case of replacements, cost includes the cost of replacing part of the plant or equipment when that cost meets the recognition criteria. If an item of property, plant and equipment consists of several components with different estimated useful lives, the individual significant components are depreciated over their individual useful lives.

Items such as spare parts, stand-by equipment and servicing equipment are recognised as property, plant and equipment when they meet the definition, considering the aggregation and materiality criteria. Otherwise, such items are classified as inventory.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. Estimated useful lives, residual values and depreciation method are reviewed at the end of each year, and the effects of changes in estimates are recorded prospectively.

The following useful lives are used in the calculation of depreciation:

	<u>Years</u>
Buildings	10 – 50 years
Leasehold improvements	Term of the expected lease term or useful life if shorter
Plant and equipment	3 – 15 years
Fixtures and fittings, including spare parts	3 – 15 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

### 3.9 Intangible assets

Intangible assets acquired separately are measured at initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are stated at cost less accumulated amortization and accumulated impairment losses. Amortization is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Internally generated intangibles, excluding capitalised development costs for IT applications, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The Group's intangible assets are represented by software licenses, concessions, patents and other intangibles which are amortized straight-line over a period of 3 years.

Additionally, the group has trademarks, customer lists and customers advantages with finite useful lives acquired as part of business combinations that are further presented under Note 5.2, which are also amortised on a straight-line basis.

The Group allocated the following useful lives for:

	<u>Years</u>
Customer lists	10 years
Contract advantages	5 years
Trademarks	indefinite (in the prior years) or definite useful life of 3 to 5 years
Other intangibles	average period of 3 years

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in profit or loss when the asset is derecognized.

#### **Impairment of non-financial assets**

At the end of each reporting period, the Group reviews whether there is an indication that an asset may be impaired.

If any such indication exists, the recoverable amount of the asset is estimated.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets that are not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. The Group bases its impairment calculation on most recent budgets and forecast calculations. These budgets and forecast calculations generally cover a period of six years. A long-term growth rate is calculated and applied to project future cash flows after the sixth year.

If the recoverable amount of an asset (or cash-generating unit or group cash-generating units) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit or group cash-generating units) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the asset is previously revalued with the revaluation taken to OCI, in which case the impairment loss is recognized in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

### **3.10 Inventories**

Inventories are stated at the lower of cost and net realizable value. Cost of inventories comprises of all the costs incurred in bringing the inventories to their present location and condition. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. The group applies FIFO as a costing method.

### **3.11 Cash and cash equivalents**

Cash and cash equivalents are carried in the balance sheet at amortized an cost. For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand, cash held at banks mainly with maturities of three months or less. For deposits at banks held with a maturity higher than three months, the Group assimilates the amounts also as cash and cash equivalents, due to the nature of the deposits, which are intended to cover short term cash commitments and not investment purposes, being highly liquid and readily convertible in cash, with no significant penalty in the case of early withdrawal.

### **3.12 Government grants**

Government grants are assistance by government in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the entity. They exclude those forms of government assistance which cannot reasonably have a value placed upon them and transactions with government which cannot be distinguished from the normal trading transactions of the entity.

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

The Group has chosen to present grants related to income to be deducted in reporting the related expense.

The Group has elected to present government grants relating to the purchase of property, plant and equipment in the

consolidated statement of financial position as deferred income, which is recognised in profit or loss on a systematic and rational basis over the useful life of the asset.

### **3.13 Financial instruments – initial recognition and subsequent measurement**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### **3.13.1 Financial assets**

##### **Initial recognition and classification**

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

This classification on initial recognition depends on the Group's business model with regard to the management of financial assets and on the financial asset's contractual cash flows characteristics.

With the exception of trade receivables that do not contain a significant financing component, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price as disclosed in Note 3.19 Revenue from contracts with customers recognition.

Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets, as appropriate, on initial recognition.

A financial asset is measured at amortized cost if both of the following conditions are met:

- the financial asset is held using a business model that aims to hold financial assets to collect contractual cash flows;
- and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely repayments of principal and interest on the principal outstanding.

The Group has only recognised and subsequently measured financial assets at amortised cost.

##### **Subsequent measurement**

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

##### Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset. Interest income is recognised in profit or loss.

The Group's financial assets at amortised cost includes mainly the following: trade receivables and other receivables. These assets are short-term in nature, which is why they are recognised at nominal amounts without discounting.

##### **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The contractual rights to receive cash flows from the asset have expired or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

#### **Impairment**

The Group recognises an allowance for expected credit losses (ECLs) for all financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables not containing a financing component, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows, when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

For each risk bucket, an assessed loss rate is applied. These loss rates are determined through an analysis of historical trends, adjusted for current conditions and reasonable and supportable forecasts of future economic conditions. The application of these rates reflects the Group's best estimate of the losses inherent in the receivables portfolio as of the reporting date.

The ECL is updated at each reporting period to reflect changes in the credit risk profile of the receivables.

The Group recognises an impairment gain or loss in profit or loss for all trade receivables with a corresponding adjustment to their carrying amount through a loss allowance account.

Under IFRS 9 default is defined as a situation in which a financial asset is deemed to be in default, typically indicating that the borrower has failed to meet their contractual obligations. The Group considers a fully impairment adjustment for financial assets overdue more than 5 years, where no collection actions are no longer performed.

### **3.13.2 Equity instruments and financial liabilities**

#### **Classification as equity or debt**

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

#### **a) Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

#### **b) Financial liabilities**

##### **Initial recognition and classification**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

The Group's financial liabilities include loans and borrowings including bank overdrafts, other long term debt.



Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. A contingent consideration classified as a financial liability is subsequently remeasured to fair value with the changes in fair value recognised in profit or loss.

#### **Subsequent measurement**

For purposes of subsequent measurement, financial liabilities are classified as financial liabilities at amortised cost. The Group has not designated any financial liability as at fair value through profit or loss.

This is the category most relevant to the Group and it includes loans and borrowings. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss. This category generally applies to interest-bearing loans and borrowings.

#### **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

#### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### **3.14 Borrowing costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset is capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings, pending their expenditure on qualifying assets, is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

#### **3.15 Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

##### **Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

##### **Deferred tax**

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that



would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

#### **Current and deferred tax for the period**

Current and deferred tax are recognized as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognized directly in equity. It can also be recognized as other comprehensive income if the underlying transaction or event is recognized in OCI.

### **3.16 Share capital**

Ordinary shares are classified as equity. The Group presents the amount of dividends recognised as distributions to owners during the period in the statement of changes in equity, and the related amount of dividends per share in the notes to the financial statements.

### **3.17 Treasury shares**

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in the share premium.

### **3.18 Share premiums**

Share premiums are own funds created as a result of the difference between the issue value of the shares and the nominal value of the shares. The Group recorded share premiums as a result of the issue of shares.

### **3.19 Revaluation reserve and legal reserve**

#### **Revaluation reserve**

The increases in the fair value of land and buildings are recorded against revaluation reserves. Any decreases in the fair value of land and buildings are first deducted from the revaluation reserves and then the difference is recorded through profit and loss accounts. The revaluation is performed with sufficient regularity as to ensure that the Group presents land and buildings at fair value in the consolidated financial statements. The revaluation reserve is transferred to retained earnings upon disposal of assets.

#### **Legal reserve**

In accordance with Romanian regulations, the legal reserve represents a statutory reserve required to be set aside from at a company's level result before taxes. The legal reserve is established to cover potential future liabilities and to strengthen the financial position of a company.

The legal reserve is calculated as a specified percentage of result before taxes, typically 5%, until the reserve reaches 20% of a company's share capital. The legal reserve can only be used to cover losses incurred by the company or to increase share capital, subject to the approval of the company's shareholders. It cannot be distributed as dividends or used for any other purpose unless specified in the national regulations.

For the purposes of consolidated financial statements, the legal reserve is preserved from each subsidiary and it is presented within equity in the statement of financial position, separately from retained earnings. Any changes to the legal reserve are disclosed in the statement of changes in equity, along with an explanation of the nature and reason for the change.

### **3.20 Provisions for risks and charges**

Provisions are recognized when the Group has a legal or constructive obligation, as a result of a past event, it is probable that there will be a future outflow of resources in order to settle this obligation and a reliable estimate can be made of the amount of the obligation. Provisions for risks and charges are assessed at the end of each period and adjusted in order to present management's best estimate.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**Liabilities provided for legal matters** require judgements regarding projected outcomes and ranges of losses based on historical experience and recommendations of legal counsel. Litigation is however unpredictable and actual costs incurred could differ from those estimated at the reporting date.

**Liabilities for unused holidays** refer to the entitlement for employees to accumulate vested leave benefits. The Group recognises a liability for compensated absences as it has an obligation to compensate employees for future absences attributable to employees' services already rendered, the obligation relates to rights that accumulate from period to period, it is probable that the amount will be paid and a reliable estimate can be made of the amount of the obligation.

A vesting obligation is where employees are entitled to a cash payment for unused leave entitled upon leaving the entity. The amount of the obligation will therefore be equal to the number of unused leave multiplied by the relevant employee's gross salary at the reporting date.

The obligation is initially recognised during the vesting period based on the best available estimate of the accumulated leave expected to vest. The estimate is revised each period end if subsequent information indicates that the accumulated leave expected to vest differs from previous estimates. On vesting date, the Group revises its estimate to equal the accumulated leave that ultimately vested.

### **3.21 Revenue from contracts with customers recognition**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Revenue is recognised over time where (i) there is a continuous transfer of control to the customer in the case of goods provided or the consumption of the benefits for the services provided takes place over time; or (ii) there is no alternative use for any asset created and there is an enforceable right to payment for performance completed to date. Other revenue contracts are recognised at a point in time when control of the goods transfers to the customer, or in the case of services provided, when the customer receives and consumes the benefits provided.

The Group provides health care medical services to corporate and retail customers, in which one performance obligation is a promise to transfer distinct services to the beneficiary. Another business line that is continuously being developed in the Group in close relationship with the medical act is the delivery of goods (mainly generic medicines) under contractual conditions. The moment the client acquires control over the goods is considered to be substantially the same for most of the Group's contracts under IFRS 15.

#### **Group's core activities**

The Group's core activities are conducted through six main business lines, providing a well-balanced business portfolio that covers all key layers of the private medical services market. Disaggregation of revenue from contracts with customers by business line comprises the following major categories: clinics, stomatology, hospitals, laboratories, pharmacies and corporate.

The Group's business and revenue model focuses on the spending power of corporations and private individuals on medical services, while the State's contribution through the National Health Insurance House ("NHIH") represents a complement, not the core revenue of Group's activities. However, the National Health Insurance House is considered to be one major customer that goes across multiple sectors such as: clinics, hospitals, laboratories and pharmacies, and from which the Group receives the consideration based on reaching pre-established ceilings, for the medical services provided to the State's insured patients, which are the end users of the healthcare medical services. The revenue in relation with NHIH is recognised at the end of the month, when the Group has an enforceable right to receive payment for performance completed up to date, as the end user receives and consumes the benefits provided by the entity's performance as the entity performs.

#### **Clinics**

The core of the Group's operations is the network of ambulatory clinics. The business line comprises a network of 103 facilities, which offer a wide range of outpatient services covering a broad range of medical specialties. The Group's diagnostic imaging services provided to clients other than hospital inpatients also form part of this business line. The Group's clinics provide a wide range of services delivered mainly in two formats:

- **Hyper clinics**, a format pioneered by the Group in Romania, consisting of large facilities with at least 20 medical offices and surface areas in excess of 1,000 sqm. It is a one-stop-shop for clinical examinations and imaging. This format is designed for larger urban areas, with a population over 175,000. Hyper clinics would usually include a broad range of imaging services on site including radiology, bone density – DEXA, CT, MRI, 2D-4D ultrasounds and Mammography; in the case of new openings, such services may be included in the hyper clinics' offering gradually. Hyper clinic locations also host the services of other business lines, such as sampling points for laboratories.
- **Clinics**, offering a range of treatments from general practitioner services to specialists, are aimed at servicing the core needs of the Group's HPP patients and FFS clients. The Group's clinics typically have between 5 and 12 medical offices, although smaller satellite clinics are in operation to address specific market situations. Clinics are designed for smaller cities or to serve specific concentrations of patients. Clinics, with limited capacity and generally limited imaging services, act as feeder networks for the more specialized services located in the hyper clinics.

The revenues are recognised at a point in time when the customer receives and consumes the benefits provided.

#### **Stomatology**

The Group's Dentistry business line offers a full range of services, ranging from medical examinations to surgery, implants or orthodontic services.

Stomatology business line is not subject to NHIH allocations. All of the sales are fee for service ("FFS") based, and the revenue is recognised at a point in time, when the performance obligation is satisfied.

#### **Laboratories**

The Laboratories business line provides the following range of services: biochemistry, pathological anatomy (cytology and histology), molecular biology and genetics, hematology, immunology, microbiology and toxicology. Sampling points are locations where the Group collects blood and other samples from patients. The Laboratories business line sources the bulk of its revenue from FFS clients, and the revenue is recognised at a point in time, when the performance obligation is satisfied.

### Hospitals

Hospital services provided to patients represent a wide range of services which comprise medical services, accommodation, meals, use of equipment, pharmacy stock and nursing services, with multiple performance obligations being provided.

Revenue is recorded during the period in which the hospital service is provided and is based on the amounts due from patients. Fees are calculated and billed based on various tariff agreements.

The Hospitals business line derives its revenue predominantly from FFS patients. Treatment of State insured patients for the NHIH, generally relates to maternity, gynecology, cardiology and oncology. The revenues are recognised at a point in time, when the consumption of the benefits for the services provided is accomplished.

The Group does not expect to have any contracts where the period between the transfer of the promised service to the patient and the payment by the patient exceeds one year. Consequently, the Group does not adjust any of the transaction prices for time value of money.

### Pharmacies

This business line is continuously being developed in the Group in close relationship with the medical act, and refers to the delivery of goods (mainly generic medicines) to customers.

In 2010, the Group launched its Pharmalife brand of pharmacies in order to capture additional revenue from the existing patient traffic in the Group's clinics. Pharmalife operates pharmacies only in the Group's own units, where the space, authorization and sales option allow, but also in the proximity of the units.

As of December 31, 2024, there were 20 functional pharmacies, offering patients both prescription and over-the-counter products, including Doctor Life's own branded products.

### Corporate

The Corporate business line offers HPPs (health prevention packages) on a subscription basis, generally to corporate clients, as part of the benefit packages for their employees. These programs, which focus on prevention, such as regular check-up's and access to diagnostic services, complement the legally required occupational health services that corporate clients contract from the Group as the Standard HPP.

The HPPs offered by the Group consist of the following:

- Mandatory occupational health services, which mainly include the provision of annual employee check-ups and more specific services depending on the client's industry. Many companies begin by purchasing occupational health services under the "Standard" HPP and then add benefits under broader HPPs from the same provider for certain or all of their employees, providing an upselling opportunity for the occupational health provider.
- More general, "prevention oriented" health plans, providing expanded access to general practitioners and specialists in the Group's clinics and as well as specified laboratory tests and diagnostic imaging for higher end packages. The specific services vary depending on the type of package.

The revenue in relation with corporate customers is recognized over time, on a stand-ready approach. On a contractual basis, the Group has a stand-ready obligation to corporate clients to provide healthcare services on demand and the customer benefits evenly throughout the contract period. As a result, the Group uses a straight-line measure of progress over the period during which the customer has the right to such services.

### Other revenue stream

On the "Other" business line, there are included revenues obtained as a result of distribution of generic medicine from large producers to a list of pharmacies, revenues obtained through wellness services, revenues obtained as a result of the production and storage of cell deposits and other types of revenues.

In the case of distribution, revenues are recognized when the goods are transferred to the customers, at a point in time.

For wellness services, revenues are recognized over time, closely related to how the consumption of the benefits for the services provided on a subscription basis takes place over time.

In the case of stem cells bank subsidiary of MedLife Group, Stem Cells Bank SA (SCB), its core business is the collection, preparation and storage of stem cells from umbilical cord blood and tissue.

SCB cooperates with numerous maternity facilities in Romania. The company regularly trains clinic staff in the professional collection of umbilical cord blood and tissue as well as related duties in accordance with the appropriate national regulations in order to ensure the greatest possible process quality.

After collection in one of the partner clinics, the stem cells are transported to the laboratory location in Timisoara. There, they are examined as well as cryopreserved and stored on the basis of the corresponding manufacturer's permit. The stem cells from umbilical cord blood and tissue are thus preserved for therapeutic use for many years. With the storage, parents invest in the participation in medical progress and thus in a preventive product by securing a unique chance for their child directly at birth.

Revenues from SCB activity represents the equivalent value of operating activities. Fees received for storage services to be provided over several periods are recognized over the period in which the corresponding storage is provided. The production and storage of cell deposits are separate performance obligations of a multi-component business. Revenue from the manufacture of cell deposits is recognized when the process of cell collection, preparation and storage is

complete. Revenue from the storage of cell deposits is recognized over the contractually agreed storage period. Here, the input-based method is chosen to measure the progress of the service, since it is not possible to measure the flow of benefits to the customer (output-based method) in isolation for the service obligation "storage of a cell deposit". Price discounts granted at the level of individual contracts are allocated to the service obligation "production of cell deposits".

#### **Presence of a financing component**

In case of prepayment for several years, the Group receives one single prepayment for both the processing and cell deposit storage from the customer. In view of the nature of the service provided, the payment terms offered by the Group are determined for reasons other than the provision of financing to the customer. Therefore, the Group considers that these advance payments do not include a financing component.

The Group also offers annual payment contracts with a minimum contract term of several years. Transaction price for this contract is determined taking into account all payments to be made by the customer during the contract period. In these cases, the payment received from the customer at the beginning of the contract is below the production cost of the service obligations "processing and storage of a cell deposit". Management has assessed and concluded that there is no financing component for these contracts, based on the fact that the storage of the cells is equally important as the cells itself for the patients and the deferred payment may serve as a guarantee that the Group will be ready to provide the storage service until the end of the contracts. Another reason is that the difference between the promised consideration and the cash selling price is aimed to cover for the higher administration costs incurred with such contracts and does not take into account the changing value of money in time.

The difference between the promised consideration and the cash selling price is a business strategy to account for the costs of managing more complex transactions. This difference is mainly to recover the administrative costs incurred on the time lifespan of the contract.

Therefore, for payments due in more than one year, no adjustment was made for the time value of money.

#### **Principal versus agent considerations**

The Group has concluded that they are the principal in all of their revenue arrangements since they are the primary obligor in all the revenue arrangements, have pricing latitude and are also exposed to inventory, in the case of medicines sold.

#### **Contract assets and liabilities**

A contract asset (accrued income) is the right to consideration in exchange for services transferred to the customer. Where the Group transfers services to a customer over time before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration to date under the contract. Contract assets are presented within trade and other receivables (Note 7) on the Group Consolidated Statement of Financial Position and are expected to be realized in less than one year.

A contract liability (deferred income) is the obligation to transfer services to a customer for which the Group has received consideration from the customer. Where the customer pays consideration before the Group transfers services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract. Contract liabilities are presented within trade and other payables (Note 10) on the Consolidated Statement of Financial Position.

Using the practical expedient in IFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised service to the customer and when the customer pays for that service will be one year or less. The majority of contracts are under one year. In case of processing and storage contracts for stem cells, for which payments are due over several years, management has concluded that there is no financing component within these contracts – please refer to paragraphs discussed at Presence of a financing component.

Contracts are for periods of less than one year or are billed based on services incurred. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

### **3.22 Employee benefits**

#### **Employee benefits**

The Group, in the normal course of business, makes payments to the Romanian State on behalf of its employees for pensions, health care and unemployment cover. The cost of these payments is charged to the statement of comprehensive income in the same period as the related salary cost.

All employees of the Group are members of the Romanian State pension plan. The Group does not operate any other pension scheme.

#### **Bonus schemes**

The Group recognizes a liability and an expense where a contractual obligation exists for short-term incentives. The amounts payable to employees in respect of the short-term incentive schemes are determined based on annual business performance targets.

### 3.23 Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

Certain accounting policies of the Group and information presentation criteria require determination of the fair value both for the assets and the liabilities of the Group. In determining the fair value of assets and liabilities, the Group uses as much as possible observable market values. Fair values are classified on various levels based on inputs used in valuation techniques, as follows:

- Level 1: (unadjusted) quoted prices on active markets for identical assets and liabilities
- Level 2: inputs, other than the prices included in level 1, which are observable for assets and liabilities, either directly (e.g.: prices) or indirectly (e.g.: derived from prices)
- Level 3: inputs for evaluation of assets and liabilities which are not based on observable market data.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Further information about the assumptions made in measuring fair values is included in the Note 5.1, Note 5.3 and Note 4.

### 3.24 Segment information

The core business activity of the Group refers to the provision of healthcare services, as a result of completion of the medical act. This process usually involves multiple stages, starting from physical examinations, laboratory tests, set-up of a diagnosis, offering treatment, supply of medical equipment, surgeries and other medical interventions, nursing care, follow-up in the recovery process.

The category "Other revenues" comprises also the integration of the Sweat gyms acquired in 2022, which mark Group Medlife's entry into a new business layer, that of wellness. This layer complements the medical diagnostic and treatment services offered at the national level through the contribution that it provides in reaching a healthier lifestyle for patients, on the long term.

In close relationship with the provision of healthcare services, the Group has also developed two channels for the sale of goods: (i) sale of pharmaceutical products to a pool of patients majority of which are the same consumers who benefit from the healthcare services provided, considering that most of the group's pharmacies are located in the hyper clinics; (ii) as a result of the acquisition of the subsidiary named Pharmachem Distributie in 2021, distribution of generic medicine from large drugs producers to a list of pharmacies, including the ones owned by the Group; however, this channel of revenue stream is not considered to be key essential in terms of results obtained, therefore it was included in the seventh business line as "Other".

An operating segment is a component of an entity:

- (a) that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity),
- (b) whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and
- (c) for which discrete financial information is available.

The Group has identified six core business lines, which comprise the following major categories: clinics, stomatology, hospitals, laboratories, pharmacies and corporate.

The core purpose of the Group is to enhance the quality of life for individuals, the ultimate end users of healthcare services, therefore setting the patient as first priority in all activities performed.

According to IFRS 8, segment information on operating segments is to be presented in accordance with the internal reporting to the chief operating decision maker (management approach).

In determining the Group's operating segments, management has primarily considered the financial information in internal reports that are reviewed and used by the Board of Directors (who together are the chief operating decision maker of MedLife Group) in assessing performance and in determining the allocation of resources.

The Board of Directors represents the chief decision-making body, in which the strategic decisions are made for the entire Group and to which the key parameters of performance are reported.

Each reporting made to the Board of Directors includes the six business lines, represented by the six revenue streams. Group managements costs are fully distributed to the operative business lines. The monthly target-to-actual and actual-to-actual comparison in the report to the Board of Directors serves to control the targets published in the Group's annual forecast, in particular the total revenue figure and EBITDA margin.

Given our understanding of an integrated healthcare services offering, we do not make any distinction in control by whether the services as defined in Romanian social insurance legislation are attributed to the inpatient or the outpatient sector, for example in the hospitals business line. All expenses and income which are directly or indirectly related to patients are included under the operating segments.



The following operating business lines are aggregated to one reporting segment, being the provision of healthcare services, since they exhibit similar economic characteristics: clinics, stomatology, hospitals, laboratories and corporate, including the processing and storage services for stem cells.

As a result of the same structural framework conditions, the operations of the Group with the healthcare services provided are characterised by a similar risk and rewards profile whose economic environment is largely regulated by legislation. It is thus possible for the operations to achieve similar EBITDA margins on the long term. We thus continue to have only one reportable segment that aggregates the above mentioned operating segments.

The Group generates most of all revenues for all areas of activity in Romania, with only a small share of revenues (below 1%) being generated from operations held in Hungary. Although there are locations in different countries, the executive management assumes that the resulting differences in the billing logic do not entail any material different opportunities and risks and these therefore do not conflict with aggregating the healthcare services into a single segment.

The characteristics of healthcare services are around physical facilities staffed by professionals in direct contact with patients, diagnosing, monitoring and treating patients. The payment for these services are either direct payment by the patient or indirect via an employer paid benefit/insurance and in much smaller degree by public health funds. In all these cases the beneficiary of the service is always the individual patient. Because of the specific nature of the source of funds that finance the provision of medical services to the end users (i.e. patients) the correct allocation of profitability for each business line is limited considering that they are complementary in servicing the patient: one would originate whereas the other might render the medical services. In this respect, the business lines could not operate on their own, proving, once again, their high interdependent nature.

The other business lines (i.e. sale of goods such as sale of pharmaceutical products or distribution of generic medicine, wellness services), which are further included in the business line named "pharmacies" or "other" (in the case of distribution of medicine, wellness services), either do not meet the definition of an operating segment or do not exceed, individually and in total, the quantitative thresholds set in IFRS 8 in order to qualify as a reportable segment.

In order to enable users of the financial statements to evaluate the nature and financial effects of the business, the Group decided to present the revenues split on the main business lines.

### **3.25 IFRS 16 - Leases**

Given its large and complex operations, the Group leases a significant number of assets including buildings and land for operational activities, medical equipment and vehicles. Contractual periods differ, depending on the lease type and the leased asset, the driver being the strategic point of view the Group has into further managing its asset portfolio.

The management has evaluated its options for early termination as well as the existence of the Group's single triggered decision to extend the lease term, on a case-by-case basis. In determining the lease term, all facts and circumstances that create an economic incentive to exercise an extension option, or to exercise a termination option, are considered.

The Group leases various buildings, equipment, vehicles and other assets. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor.

The Group's assesses whether a contract is or contains a lease, at inception of the contract. Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group - except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. Payments associated with short-term leases and all leases of low-value assets (including small equipment such as printers, PC's and others) are recognised on a straight-line basis as an expense in profit or loss. Assets and liabilities arising from a lease are initially measured on a present value basis.

Lease liabilities include the net present value of the following lease payments to be made over the lease term:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The exercise price of a purchase option if the Group is reasonably certain to exercise that option;
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option;
- Amounts expected to be paid under residual value guarantees;
- Lease payments to be made over the contractual lease term, if there are extension options included.

The lease payments are discounted using the lessee's incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. To determine the incremental borrowing rate, the Group uses recent third-party financing received by the lessee as a starting point and adjusts the rate to reflect changes in financing conditions since the third-party financing was received.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:



- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentives;
- Any initial direct costs; and
- Restoration costs.

After initial recognition, right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient.

The following useful lives on average are used in the calculation of depreciation for right-of-use assets, determined based on the lease term of the contractual agreements:

	<u>Years</u>
Buildings	6 – 10 years
Medical equipment	3 – 4 years
Vehicles	3 – 5 years

### 3.26 Basic and Diluted Earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Group, excluding any costs of servicing equity other than ordinary shares;
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

Diluted earnings per share takes into account the potential dilutive effects of share based payment schemes that could potentially be converted into ordinary shares. The Group has no share-based payments.

## 4. GOODWILL

The Group records goodwill resulting from business combinations. Please see below the goodwill recorded as of December 31, 2024 and December 31, 2023 (carrying amount):

Group Cash Generating Units (GCGUs)	<u>31 December 2024</u>	<u>31 December 2023</u>
Romanian Healthcare Network	420,706,431	385,159,388
Hungarian Healthcare Network	19,544,433	8,452,114
Romanian Pharmacy Network	16,912,523	16,912,523
Generale Medicine Wholesale Distribution	10,763,546	10,763,546
Wellness	22,604,609	22,604,609
Online Platform	1,503,438	1,503,438
<b>TOTAL</b>	<b><u>492,034,979</u></b>	<b><u>445,395,617</u></b>

## Movement in Goodwill

	31 December 2024	31 December 2023
Balance at the beginning of the year	445,395,617	368,672,606
Goodwill recognized during the year	46,639,362	76,723,011
<b>TOTAL</b>	<b>492,034,979</b>	<b>445,395,617</b>

During the year ended December 31, 2024, the Group obtained control over various companies and recorded an additional goodwill of RON 46,639,362 (December 31, 2023: RON 76,723,011). For further details on business combinations acquired during the year ended December 31, 2024 and the year ended December 31, 2023, please see Note 27. Accumulated impairment over Goodwill amounts to RON 313,506 as of 31 December 2024 (RON 313,506 as of 31 December 2023).

For the purpose of impairment testing, goodwill is allocated to the Group of Cash generating units (GCGU) 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 of the GCGU. Assets with indefinite useful life within a GCGU or CGU then the entire GCGU or CGU needs to be assessed, as part of the impairment testing model. No impaired goodwill was identified in this context.

Starting with 2024, there are 6 GCGUs included in the valuation process, as the design and management of the Group's operations is no longer determined based on the legal structure of the group, instead being influenced by the operational structure and the way in which management monitors its investment efforts and expected financial results.

The **network approach by country is more relevant and aligned** with the current Group's strategy, which aims to continue its expansion in Central Europe, and that will create consistency in identification of GCGUs as the Group will penetrate other EU countries in the near future.

The recoverable amount is based on fair value less cost of disposal (FVLCO) of the underlying assets of the GCGU. The discounted future Cash flows of the GCGUs, using the DCF (discounted cash-flow) method, are determined on the basis of the approved business plans for 2025 that forecast financial position and results of operations and take into account historical values and estimated performance. Cash flows are estimated in RON, having a nominal value. The results are then extrapolated for 5 additional years using bottom-up, 5-year planning that reflects the future development of the GCGUs under current conditions.

After the six-year time period, a perpetuity value is calculated using a conservative Group-wide growth rate. To determine the present value of future Cash flows, a discount rate based on the weighted average cost of capital (WACC) is applied. The valuation is considered to be level 3 in the fair value hierarchy due to unobservable inputs used in the valuation.

There are a number of key sensitive judgements made in determining the inputs into these models which include:

- Revenue growth considered for the next years and also the perpetual growth rate
- The discount rates applied to the projected future cash flows – please see below a summary on the key sensitive metrics used in the discounted cash-flow model, for both years:

GCGU / CGU	Discount rate used in 2024	Discount rate used in 2023
Romanian Healthcare Network	11.6%	8.7% to 15.8%
Hungarian Healthcare Network	13.4%	10.0%
Online Platform	24.0%	18.9%
Generale Medicine Wholesale Distribution	10.6%	8.9%
Romanian Pharmacy Network	8.6%	9.0%
Wellness	12.2%	15.3% to 15.5%

GCGU / CGU	Sales annual growth (for current projections)	Sales annual growth (for prior year projections)
Romanian Healthcare Network	blended average rate 11%	between average rate of 4% to 36%
Hungarian Healthcare Network	blended average rate 12%	blended average rate 12%
Online Platform	blended average rate 20%	average rate 19%
Generale Medicine Wholesale Distribution	blended average rate 10%	average rate 9%
Romanian Pharmacy Network	blended average rate 8%	average rate 10%
Wellness	blended average rate 46%	between average rate of 21% to 31%

GCGU / CGU	Long-term growth rate used in 2024	Long-term growth rate used in 2023
Applicable for all	2.5%	2.5%

The estimated future Cash flows are derived from the business plans approved by the responsible bodies. The assumptions underlying the main planning parameters take into account not only past experience and aspects arising from the operating business.

The operating margin results from the application of the assumed planning assumptions. For the subsequent years, an average of the operating margins is assumed (continuation planning period), adding a slight increase.

Cash flows beyond the six-year period are extrapolated using an estimated growth rate, which is consistent with forecasts specific to the industry in which each GCGU operates.

The discount rate is a after-tax rate that reflects current market assessments of the time value of money and the specific risks of every GCGU. WACC (weighted average cost of capital) is used to estimate the rate. The discount rate is independent of the Group's capital structure and how the Group financed the purchase of the asset, because future cash flows expected to arise from an asset do not depend on how the Group financed the purchase of that asset.

In the case of GCGUs subject to the impairment test, the discount rates considered are higher than the average industry-level data in emerging European countries to take into account country risk, currency risk, and GCGU's size. On average, depending on the particularities of each CGU, the discount rate varies between 8.6% and 24%, depending on the specific risks associated with each GCGU.

Estimates of future cash flow management are based on the most recent 6-year forecasts (2025-2030).

The estimation of the terminal value was made based on the hypothesis of continuing the activity. The final value is given by the capitalization of the available cash flow with the capitalization rate which has in view a perpetual increase in close relation with the GDP growth and inflation forecast for Romania.

The analysis of the results shows that for the GCGUs subject to the impairment test, the related recoverable amount is higher than their net book value and, therefore, there will be no impairment of goodwill recorded. At an aggregated level for all 6 GCGUs under analysis, the recoverable amount is RON 5.3 bn, while the net book value is RON 2 bn.

The sensitivity analysis that evaluates the sensitivity of the recoverable amount was performed according to the changes of the main factors: WACC discount rate plus 2 percent, operating margin decrease with 20 percent and perpetual growth rate decrease with 1 percent.

In performing the sensitivity analysis, except for the online platform cash generating unit, an increase in WACC of 2 percent would give rise to a reduction in the Group-wide surplus with 20%, namely a decrease from RON 5.3 bn to RON 4.3 bn in the recoverable amount compared to a net book value of RON 2 bn.

Except for the online platform cash generating unit, a decrease in the operating margin of 20 percent would give rise to a reduction in the Group-wide surplus with 27%, namely a decrease from RON 5.3 bn to RON 3.9 bn in the recoverable amount compared to a net book value of RON 2 bn.

Except for the online platform cash generating unit, a decrease with 1 percentage point in the perpetual growth rate would give rise to a reduction in the Group-wide surplus with 7%, namely a decrease from RON 5.3 bn to RON 4.9 bn in the recoverable amount compared to a net book value of RON 2 bn.

For the online platform cash generating unit, an increase in WACC of 2 percent would give rise to a goodwill impairment of 0.3 mil RON, a decrease in the operating margin of 20 percent would give rise to a goodwill impairment of 0.9 mil RON and a decrease of 1 percentage point in the perpetual growth rate would not give rise to a goodwill impairment.

There is no reasonable scenario in which a change in the key assumptions above will potentially drive the recoverable amount to equal the carrying amount of the GCGU or CGU as of 31 December 2024, considering the sufficient existing sufficient headroom between them.

Management is confident that the business plan used in goodwill impairment testing followed a conservative approach, while negative developments in the analysed parameters are unlikely to materialize. The associated business plans have incorporated an important CAPEX component, in line with the investment development plans and strategy of the Group, moving forward. No goodwill impairment is expected in the future.

Management has engaged external specialists to assist with the impairment analysis, the entire valuation process being performed by certified ANEVAR valuers. There were no changes in the valuation techniques compared to prior year, except for the change in the GCGU considered in testing, for the reasons explained above.

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

### 5.1 PROPERTY, PLANT AND EQUIPMENT

As of December 31, 2024 the Group's property, plant and equipment structure was the following.  
For details regarding additions from business combinations – please see further details in Note 27.

	Land	Buildings	Leasehold improvements	Vehicles and equipment	Construction in progress	Total fixed assets
<b>31 December 2023</b>	<b>120,852,586</b>	<b>297,358,837</b>	<b>200,068,988</b>	<b>886,977,515</b>	<b>125,261,031</b>	<b>1,630,518,957</b>
Additions	-	195,605	2,999,025	192,852,540	108,744,691	304,791,861
Transfers	-	6,361,503	113,065,149	40,353,977	(160,822,522)	(1,041,893)
Disposals	-	-	(9,225)	(7,862,323)	(5,961)	(7,877,509)
Additions from business combinations	2,080,298	-	10,071,771	30,086,727	-	42,238,796
<b>31 December 2024</b>	<b>122,932,884</b>	<b>303,915,945</b>	<b>326,195,708</b>	<b>1,142,408,436</b>	<b>73,177,240</b>	<b>1,968,630,212</b>
	Land	Buildings	Leasehold improvements	Vehicles and equipment	Construction in progress	Total fixed assets
<b>Depreciation</b>						
<b>31 December 2023</b>	<b>-</b>	<b>7,891,882</b>	<b>85,383,505</b>	<b>436,228,456</b>	<b>-</b>	<b>529,503,843</b>
Charge of the year	-	5,258,306	19,973,593	115,152,158	-	140,384,057
Disposals	-	-	-	(5,605,412)	-	(5,605,412)
Reclassifications during the year	-	-	-	-	-	-
Impairment (as a result of merger projects)	-	-	-	377,870	-	377,870
<b>31 December 2024</b>	<b>-</b>	<b>13,150,188</b>	<b>105,357,098</b>	<b>546,153,073</b>	<b>-</b>	<b>664,660,359</b>
<b>Net Book Value</b>						
<b>31 December 2023</b>	<b>120,852,586</b>	<b>289,466,955</b>	<b>114,685,483</b>	<b>450,749,059</b>	<b>125,261,031</b>	<b>1,101,015,114</b>
<b>31 December 2024</b>	<b>122,932,884</b>	<b>290,765,757</b>	<b>220,838,609</b>	<b>596,255,363</b>	<b>73,177,240</b>	<b>1,303,969,853</b>

During the financial year ended 31 December 2024, the Group put into operation intangible assets under construction in the amount of RON 1,041,893 (2023: RON 1,144,614) – please refer to Note 5.2.

As of December 31, 2023 the Group's property, plant and equipment structure was the following:

	Land	Buildings	Leasehold improvements	Vehicles and equipment	Construction in progress	Total fixed assets
<b>31 December 2022</b>	<b>118,558,183</b>	<b>297,358,837</b>	<b>140,603,584</b>	<b>659,366,725</b>	<b>59,949,392</b>	<b>1,275,836,721</b>
Additions	-	-	10,759,331	129,837,499	103,252,841	243,849,672
Transfers	-	-	17,034,835	34,417,288	(52,596,737)	(1,144,614)
Disposals	-	-	(430,409)	(13,171,354)	(10,561,684)	(24,163,447)
Additions from business combinations	2,294,403	-	32,101,647	76,527,357	25,217,219	136,140,626
<b>31 December 2023</b>	<b>120,852,586</b>	<b>297,358,837</b>	<b>200,068,988</b>	<b>886,977,515</b>	<b>125,261,031</b>	<b>1,630,518,958</b>
<b>Depreciation</b>						
	Land	Buildings	Leasehold improvements	Vehicles and equipment	Construction in progress	Total fixed assets
<b>31 December 2022</b>	<b>-</b>	<b>(0)</b>	<b>73,773,177</b>	<b>373,562,484</b>	<b>-</b>	<b>447,335,661</b>
Charge of the year	-	7,891,882	11,907,689	77,576,266	-	97,375,836
Disposals	-	-	(297,360)	(14,910,294)	-	(15,207,654)
<b>31 December 2023</b>	<b>-</b>	<b>7,891,882</b>	<b>85,383,505</b>	<b>436,228,456</b>	<b>-</b>	<b>529,503,844</b>
<b>Net Book Value</b>						
<b>31 December 2022</b>	<b>118,558,183</b>	<b>297,358,837</b>	<b>66,830,407</b>	<b>285,804,241</b>	<b>59,949,392</b>	<b>828,501,060</b>
<b>31 December 2023</b>	<b>120,852,586</b>	<b>289,466,955</b>	<b>114,685,483</b>	<b>450,749,059</b>	<b>125,261,031</b>	<b>1,101,015,115</b>

### 5.1. Land and buildings carried at fair value

The value of land and buildings of the Group are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The last revaluation on Land and Buildings took place at the end of 2022. The fair value measurements of the Group's freehold land and buildings as at 31 December 2022 were performed by independent valuator certified by ANEVAR and having appropriate qualifications and recent experience in the fair value measurement of properties in the relevant locations.

If the lands and buildings of the Group had been valued at historical cost, their book value would have been the one presented below:

Carrying amount with revaluation	31 December 2024	31 December 2023
Land	64,745,957	62,665,659
Buildings	163,990,029	166,743,002
<b>TOTAL</b>	<b>228,735,986</b>	<b>229,408,661</b>

During 2024, no indicators of impairment were identified and the Group concluded that the fair value of Land and Buildings does not differ significantly from their carrying amount. Part of the items related to Land and Buildings are included in the group cash-generating units established for the Group and annually tested for impairment as part of the goodwill impairment testing, please refer to Note 4 for more details. For the carrying value of property, plant and equipment pledged to secure the borrowings please refer to Note 14.

### 5.2. Intangible assets

As of December 31, 2024 the Group's intangible assets' structure was the following:

	<i>Customer List</i>	<i>Contract Advantages</i>	<i>Trademarks</i>	<i>Other intangibles</i>	<i>Total</i>
<b>1 January 2024</b>	<b>17,697,120</b>	<b>21,466,035</b>	<b>58,127,347</b>	<b>124,892,279</b>	<b>222,182,781</b>
Additions	-	-	-	19,418,608	19,418,608
Transfers	-	-	-	1,041,893	1,041,893
Disposals	-	-	-	(296,637)	(296,637)
Additions from business combinations	-	-	4,274,000	284,686	4,558,686
<b>31 December 2024</b>	<b>17,697,120</b>	<b>21,466,035</b>	<b>62,401,347</b>	<b>145,340,829</b>	<b>246,905,331</b>

	<i>Customer List</i>	<i>Contract Advantages</i>	<i>Trademarks</i>	<i>Other intangibles</i>	<i>Total</i>
<b>Depreciation</b>					
<b>1 January 2024</b>	<b>6,028,162</b>	<b>6,388,566</b>	<b>2,643,753</b>	<b>88,216,288</b>	<b>103,276,769</b>
Charge of the year	1,463,878	3,054,832	3,785,861	14,136,223	22,440,793
Disposals	-	-	-	(58,051)	(58,051)
Impairment (as a result of merger projects)	-	-	271,000	-	271,000
<b>31 December 2024</b>	<b>7,492,040</b>	<b>9,443,398</b>	<b>6,700,614</b>	<b>102,294,460</b>	<b>125,930,511</b>

<b>Net Book Value</b>					
<b>1 January 2024</b>	<b>11,668,958</b>	<b>15,077,469</b>	<b>55,483,594</b>	<b>36,675,991</b>	<b>118,906,012</b>
<b>31 December 2024</b>	<b>10,205,080</b>	<b>12,022,637</b>	<b>55,700,733</b>	<b>43,046,369</b>	<b>120,974,820</b>



As of December 31, 2023 the Group's intangible assets' structure was the following:

	<b>Customer List</b>	<b>Contract Advantages</b>	<b>Trademarks</b>	<b>Other intangibles</b>	<b>Total</b>
<b>1 January 2023</b>	<b>17,697,120</b>	<b>16,266,035</b>	<b>42,497,347</b>	<b>108,864,531</b>	<b>185,325,033</b>
Additions	-	-	-	18,639,571	18,639,571
Transfers	-	-	-	1,144,614	1,144,614
Disposals	-	-	-	(4,239,996)	(4,239,996)
Additions from business combinations	-	5,200,000	15,630,000	483,560	21,313,560
<b>31 December 2023</b>	<b>17,697,120</b>	<b>21,466,035</b>	<b>58,127,347</b>	<b>124,892,279</b>	<b>222,182,781</b>

	<b>Customer List</b>	<b>Contract Advantages</b>	<b>Trademarks</b>	<b>Other intangibles</b>	<b>Total</b>
<b>Depreciation</b>					
<b>1 January 2023</b>	<b>4,564,284</b>	<b>3,333,734</b>	<b>-</b>	<b>77,234,750</b>	<b>85,132,768</b>
Charge of the year	1,463,878	3,054,832	-	12,268,957	16,787,666
Disposals	-	-	-	(1,287,418)	(1,287,418)
Impairment (as a result of merger projects)	-	-	2,643,753	-	2,643,753
<b>31 December 2023</b>	<b>6,028,162</b>	<b>6,388,566</b>	<b>2,643,753</b>	<b>88,216,288</b>	<b>103,276,769</b>
<b>Net Book Value</b>					
<b>1 January 2023</b>	<b>13,132,836</b>	<b>12,932,301</b>	<b>42,497,347</b>	<b>31,629,781</b>	<b>100,192,265</b>
<b>31 December 2023</b>	<b>11,668,958</b>	<b>15,077,469</b>	<b>55,483,594</b>	<b>36,675,991</b>	<b>118,906,012</b>

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date (which is regarded as their cost). The fair value of intangible assets was assessed by an independent appraiser at acquisition date and refer to Customer lists, Contract advantages and Trademarks.

### Trademarks

At initial recognition, trademarks resulted from business combinations, used to identify and distinguish the medical services had an indefinite useful life.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the group cash-generating unit level.

Therefore, starting with 01 January 2024, the Group has decided to allocate a definite useful life for trademarks, which pertain to a specific GCGU or CGU. An important trigger for this change includes the large number of business acquisitions, specific to Medlife Group in the recent years, followed by the most recent merger projects between subsidiaries, implemented during 2023 and 2024. As a result, the legal changes indicated that trademarks that are allocated to a specific GCGU or CGU, are more probable to generate net cash flows for a limited period of time, in accordance with the management's current strategy and expectations over the brand's use, as the medical activity will be associated and integrated over time under the Group's name.

Therefore, the trademarks are now being amortized over a 3 to 20-year period, on a straight-line basis, starting from January 1, 2024 and are no longer annually tested for impairment.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss.

As a result of the recently merger projects on Anima Specialty Medical Services SRL, Genesys Medical Clinic SRL and Pharmalife-Med SRL started in 2023 and merger projects on Dent Estet Clinic SA and Genesys Medical Clinic SRL during 2024, the Group considers that some of the trademarks will no longer be in use. Therefore, as of 31 December 2024, the Group recognised an impairment for these trademarks covering their entire value, in the amount of RON 271,000 (31 December 2023: RON 2,643,753).

### **Customer lists and contracts advantages**

The Group allocates a definite useful life for both customer lists and contract advantages. Please see note 3.9.

Both recognised Customer lists and Contract advantages arise only upon business combination. Customer lists refer to rights and agreements with customers and represent the ongoing customer relationship, while Contract advantages refer to contracts in place with the National Health Insurance House, which embed a guaranteed reimbursement or payment for the healthcare services provided to patients, thus creating a competitive advantage.

These intangibles are amortised on a straight-line basis.

### **Other intangibles**

All the other intangibles are amortised on a straight-line basis, over a period of 3 years and include software licenses, concessions, patents and other intangibles, costs incurred with the website implementation and development of internal IT applications.

During 2024, the costs incurred with the website implementation that met the capitalization criteria of IAS 38 Intangible assets were capitalised as a new intangible asset, in the amount of RON 2,405,580, which is amortized over a period of 3 years.

The capitalized cost for other intangible assets, such as development of internal IT applications, was recognized during the year, in the amount of RON 7,149,484, and it is already included in the other intangible assets on the balance sheet – for further details please see Note 20.

## **5.3. OTHER FINANCIAL ASSETS**

Carrying amount	December 31, 2024	December 31, 2023
Long-term receivables for stem cells processing	58,514,233	44,858,657
Allowance for doubtful long-term receivables	(4,849,262)	(4,110,927)
Other receivables	473,440	194,810
<b>TOTAL</b>	<b>54,138,411</b>	<b>40,942,540</b>

Trade receivables of stem cells processing with payments due in more than one year are presented under Other financial assets.

An allowance for expected credit losses was determined for customers, based on the loss rate assigned for the established buckets, which reflect the credit risk characteristics of the stem cells receivables.

## **6. INVENTORIES**

	December 31, 2024	December 31, 2023
Consumables	97,599,117	60,386,702
Materials in the form of inventory items	2,030,709	1,267,448
Merchandise	49,168,392	48,002,728
Inventory in transit	0	619
<b>TOTAL</b>	<b>148,798,218</b>	<b>109,657,497</b>

During 2024 and 2023 no amount was recognised as an expense for inventories carried at net realisable value.

### **7.1. TRADE RECEIVABLES**

	December 31, 2024	December 31, 2023
Trade receivables	370,686,338	301,363,147
Allowance for expected credit losses on receivables	(46,579,478)	(39,698,737)
<b>TOTAL</b>	<b>324,106,860</b>	<b>261,664,410</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 maturity 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.

Based on the assessed credit risk of the customers, Group's trade receivables are split between individually assessed and collectively assessed.

<b>December 31, 2024</b>	<b>Individually assessed</b>	<b>Collectively assessed</b>	<b>Total</b>
Trade Receivables	209,261,248	161,425,090	370,686,338
Allowance for expected credit losses on receivables	(10,453,526)	(36,125,952)	(46,579,478)
<b>Total</b>	<b>198,807,722</b>	<b>125,299,138</b>	<b>324,106,860</b>
<b>December 31, 2023</b>	<b>Individually assessed</b>	<b>Collectively assessed</b>	<b>Total</b>
Trade Receivables	156,034,194	145,328,953	301,363,147
Allowance for expected credit losses on receivables	(11,211,398)	(28,487,339)	(39,698,737)
<b>Total</b>	<b>144,822,796</b>	<b>116,841,614</b>	<b>261,664,410</b>

Individually assessed items include mainly trade receivables from National Health Insurance House for which due to management's assessment an allowance for expected credit losses of RON 7,365,835 was recognised in the financial statements in the previous years, as a result of court proceedings initiated at that time. As of 31 December 2024 and 31 December 2023, the amounts, both the trade receivables and the 100% allowance are still in closing balance.

The allowance for expected credit losses for individually assessed trade receivables include the value adjustment aforementioned in relation to the Health Insurance House as well as an allowance for certain customers for which management has assessed as having a default rate of 100% and computed an allowance for expected credit losses for the entire amount.

The Group applies the simplified approach for providing for expected credit losses (ECL) prescribed by IFRS 9, which requires the use of the lifetime expected loss provision for all trade receivables which are collectively analysed. A provision matrix was prepared based on historical observed default rates over the expected life of trade receivables resulting in an ECL reflecting the predictive risk by type of customer.

Changes in economic conditions were also considered as part of forward-looking information. Estimating adjustments for expected credit losses involves forecasting future macroeconomic conditions for 2025, compared to the average during 2020-2023.

The incorporation of forward-looking elements reflects the Groups expectations. GDP (Gross Domestic Product) was used as a macroeconomic factor considered statistically relevant for the analyzed trade receivables.

The allowance for expected credit losses collectively assessed based on the Group's provision matrix was determined as follows:

<b>December 31, 2024</b>	<b>Current</b>	<b>&lt;30 days</b>	<b>&lt; 90 days</b>	<b>&lt; 180 days</b>	<b>&lt; 365 days</b>	<b>&gt; 365 days</b>	<b>Total</b>
Expected credit loss rate	0.20%	3.67%	6.01%	15.00%	25.78%	56.58%	
Trade Receivables	83,207,376	2,974,098	4,354,775	5,903,151	6,706,248	58,279,442	161,425,090
Allowance for expected credit losses on receivables	(163,411)	(109,288)	(261,880)	(885,288)	(1,728,994)	(32,977,091)	(36,125,952)
<b>TOTAL</b>	<b>83,043,966</b>	<b>2,864,810</b>	<b>4,092,895</b>	<b>5,017,863</b>	<b>4,977,254</b>	<b>25,302,350</b>	<b>125,299,138</b>

<b>December 31, 2023</b>	<b>Current</b>	<b>&lt;30 days</b>	<b>&lt; 90 days</b>	<b>&lt;180 days</b>	<b>&lt;365 days</b>	<b>&gt;365 days</b>	<b>Total</b>
Expected credit loss rate	0.13%	0.61%	2.33%	5.80%	21.87%	68.97%	
Trade Receivables	89,032,989	7,077,045	3,251,238	2,762,108	3,621,584	39,583,990	145,328,953
Allowance for expected credit losses on receivables	(116,386)	(43,470)	(75,863)	(160,194)	(792,042)	(27,299,385)	(28,487,339)
<b>TOTAL</b>	<b>88,916,603</b>	<b>7,033,576</b>	<b>3,175,375</b>	<b>2,601,913</b>	<b>2,829,542</b>	<b>12,284,605</b>	<b>116,841,614</b>

For Customers in ">365 days" category, the expected credit loss rate of 56.6% represents an average of expected credit loss rates, depending on the aging of the receivables. Expected credit loss rates range from 45.1% for receivables from 2023 gradually increasing to 100%. For all receivables from 2018 and older, allowance for doubtful receivables was computed for the entire amount as having a default rate of 100% and no longer analysed for collection.

A reconciliation of the allowance for expected credit losses is presented as follows:

	<b>2024</b>	<b>2023</b>
<b>As at 1 January</b>	<b>39,698,737</b>	<b>36,943,173</b>
Business combinations	550,452	1,525,217
Recognised in income statement	6,330,289	1,230,347
<b>As at 31 December</b>	<b>46,579,478</b>	<b>39,698,737</b>

For the carrying value of trade receivables pledged to secure the borrowings please refer to Note 14.

## 7.2. OTHER ASSETS

	<b>31 december 2024</b>	<b>31 december 2023</b>
Guarantees paid	12,702,011	9,733,862
Advances paid	21,010,358	19,322,089
Other subsidies received	5,211,846	7,922,222
Other sundry debtors	6,061,454	4,843,680
Other assets	10,894,580	8,394,389
<b>TOTAL</b>	<b>55,880,250</b>	<b>50,216,242</b>

## 8. CASH AND BANKS

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Cash in bank	108,385,767	96,423,004
Cash in hand	2,737,542	2,031,272
Cash equivalents	1,684,914	1,816,817
<b>TOTAL</b>	<b>112,808,224</b>	<b>100,271,093</b>

For the carrying value of the current accounts that are pledged in order to secure the borrowings please refer to Note 14.

## 9. PREPAYMENTS

As of December 31, 2024 the Group has prepayments in amount of RON 17,311,896 (RON 11,699,369 as of December 31, 2023). The prepayments balance as of December 31, 2024 and December 31, 2023 consists mainly of deferred commissions for financing related to the Club loan for undrawn facilities and for rent payments in advance, along with other amounts such as insurance policies for professionals and tangible assets.

## 10. TRADE AND OTHER PAYABLES

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Suppliers	411,692,407	308,881,426
Suppliers for property, plant and equipment	154,421,059	90,879,608
Advances paid by customers (contract liabilities)	5,438,865	4,792,738
<b>TOTAL</b>	<b>571,552,330</b>	<b>404,553,771</b>

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

## 11. OTHER SHORT TERM LIABILITIES

	December 31, 2024	December 31, 2023
Salary and related liabilities (including contributions)	36,422,953	28,272,208
Government grants	3,525,315	3,732,024
Deferred revenue	60,415,505	27,185,939
Other sundry creditors	9,108,780	5,146,930
Other liabilities	8,685,242	7,623,374
<b>TOTAL</b>	<b>118,157,796</b>	<b>71,960,475</b>

Other short term liabilities include the current portion of government grants of RON 3,525,315 (RON 3,732,024 as of December 31, 2023), while the non-current portion is presented as Other long term debt. Government grants have been received for the purchase of certain items of property, plant and equipment. There are no unfulfilled conditions or contingencies attached to these grants. Also, other liabilities include a deferred revenue in the amount of RON 60,415,505 (RON 27,185,939 as of December 31, 2023), which refers mainly to future income in relation with National Health Programme, in which the Group is involved.

Also, Other liabilities include other sundry creditors in the amount of RON 9,108,780 (RON 5,146,930 as of December 31, 2023).

## 12. PROVISIONS

	December 31, 2024	December 31, 2023
Carrying amount at start of year	11,116,544	9,783,326
Acquired through business combination	1,565,410	462,682
Charged/(credited) to profit or loss		
- additional provisions recognised	6,555,270	2,423,638
Amounts used during the year	(1,827,558)	(1,553,102)
<b>Carrying amount at end of year</b>	<b>17,409,666</b>	<b>11,116,544</b>

Provisions booked as of 31 December 2024 and 31 December 2023 refer to provisions related to untaken holidays, which cover above 92% from total balance.

## 13. LEASES

Leasing facilities refer to buildings, vehicles and medical equipment.

Right-of-use asset	Buildings	Vehicles	Equipment	Total
<b>Cost</b>				
<b>At 31 December 2023</b>	<b>472,124,033</b>	<b>29,206,241</b>	<b>127,632,755</b>	<b>628,963,029</b>
Additions	60,415,258	1,369,480	23,189,235	84,973,973
Business combinations	3,029,646	-	553,030	3,582,675
Decrease	(10,345,530)	(1,665,369)	(3,891,246)	(15,902,145)
<b>Value at 31 December 2024</b>	<b>525,223,406</b>	<b>28,910,353</b>	<b>147,483,773</b>	<b>701,617,532</b>
<b>Accumulated depreciation</b>				
<b>At 31 December 2023</b>	<b>178,269,332</b>	<b>16,641,954</b>	<b>37,482,206</b>	<b>232,393,492</b>
Charge for the year	73,249,124	5,812,886	12,056,990	91,119,000
Decrease	(5,094,917)	(1,386,160)	(1,704,217)	(8,185,295)
<b>Value at 31 December 2024</b>	<b>246,423,539</b>	<b>21,068,680</b>	<b>47,834,979</b>	<b>315,327,198</b>
<b>Carrying amount</b>				
<b>At 31 December 2023</b>	<b>293,854,701</b>	<b>12,564,288</b>	<b>90,150,548</b>	<b>396,569,537</b>
<b>At 31 December 2024</b>	<b>278,799,867</b>	<b>7,841,673</b>	<b>99,648,794</b>	<b>386,290,334</b>
	<b>December 31, 2024</b>	<b>December 31, 2023</b>		
Non-current - Lease Liabilities	286,025,347	309,158,946		
Current portion - Lease Liabilities	108,288,263	99,589,187		
<b>TOTAL</b>	<b>394,313,610</b>	<b>408,748,133</b>		

	<b>12 months ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
Depreciation charge of right-of-use assets	91,119,000	80,583,659
Interest expense on lease liabilities for rent contracts that fall under IFRS 16 (included in finance cost)	19,708,123	16,309,869
PL (Gain) from contracts terminated earlier	362,019	1,049,203
Foreign exchange loss for rent contracts that fall under IFRS 16 in relation with Lease Liabilities	(227,113)	2,216,556
Expense relating to short-term leases (included in rent expenses)	1,266,597	1,853,985
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in rent expenses)	2,232,972	2,070,174
Other categories	12,982,228	8,898,966

The total cash outflow for leases amount to RON 117,074,597 (2023: RON 100,166,757) for contracts that fall under IFRS 16 (which refer to rental of buildings, vehicles and equipment), out of which RON 97,366,474 (2023: RON 83,856,888) refer to payments of principal and RON 19,708,123 (2023: RON 16,309,869) refer to payments of interest. For leases relating to short-term contracts or low value assets, the total cash outflow amount to RON 3,499,569 (2023: RON 3,924,159).

#### **Extension and termination options**

Extension and termination options are only included in the lease term when the Group has the right to unilaterally extend/terminate and judges that this right is reasonably certain to be exercised. For some of the Group's lease agreements with extension options, these criteria are considered met and the extension option can be included in the lease term. During 2024, the Group did not exercise extension options included in the leasing contracts.

Some of the real estate leases within the Group contain termination options with a purpose to achieve operational flexibility. For some of these agreements, the Group is reasonably certain that the termination option will be exercised. Consequently, the lease liability does not include future rental payments in the period after the earliest termination date. During 2024, the Group did not exercise any termination options.

#### **14. NET FINANCIAL DEBT**

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Current portion of interest-bearing loans and borrowings (incl. overdraft)	156,493,957	112,132,814
Non-current portion of Interest-bearing loans and borrowings	1,135,073,779	1,040,639,641
<b>TOTAL</b>	<b>1,291,567,736</b>	<b>1,152,772,455</b>

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Cash and cash equivalents	112,805,424	100,271,093
Borrowings (including overdraft)	(1,291,567,736)	(1,152,772,455)
Lease liabilities	(394,313,610)	(408,748,133)
<b>Net debt</b>	<b>(1,573,075,922)</b>	<b>(1,461,249,495)</b>

#### **Current debt**

Overdraft	(29,076,066)	(29,835,472)
Current portion of lease liability	(108,288,263)	(99,589,187)
Current portion of long term debt	(127,417,891)	(82,297,342)

#### **Long Term Debt**

Lease liability	(286,025,347)	(309,528,916)
Long term debt	(1,135,073,779)	(1,040,639,641)



### **Increases in credit facility during 2024**

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 involved 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 in 2022, 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.

On 14 March 2024, the Group increased the existing facilities by EUR 50 million by signing an addendum to the existing loan. The syndicate of banks which signed the increase of the syndicated loan consists of Banca Comercială Română, as Coordinating Mandated Lead Arranger, Documentation Agent, Facility Agent, Security Agent and Bookrunner, Raiffeisen Bank, BRD Groupe Société Générale and Banca Transilvania, as Original lenders.

The balance of the syndicated loan is RON 1,129,646,367 as of December 31<sup>st</sup>, 2024.

As at December 31, 2024, the Group's drawn and undrawn financing facilities included the following:

- a 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 21,778,548 as of 31 December 2024;
- a loan agreement secured by Banca Transilvania S.A. and SC Anima Specialty Medical Services SRL (former Ghencea Medical Center S.A., which merged under SC Anima Specialty Medical Services SRL), with an outstanding balance of RON 343,515 as of 31 December 2024;
- a loan agreement secured by Banca Transilvania S.A. and Micromedica Roman S.R.L., with an outstanding balance of RON 210,263 as of 31 December 2024;
- a loan agreement secured by Banca Transilvania S.A. and Centrul Medical Micromedica S.R.L., with an outstanding balance of RON 95,419 as of 31 December 2024;
- a loan agreement secured by Banca Transilvania S.A. and Dent Estet Ploiesti S.R.L., with an outstanding balance of RON 1,513,502 as of 31 December 2024;
- a loan agreement secured by Banca Transilvania S.A. and ProLife Clinics S.R.L., with an outstanding balance of RON 1,075,695 as of 31 December 2024;
- a loan agreement secured by Banca Transilvania S.A. and Medical City Blue S.R.L., with an outstanding balance of RON 282,514 as of 31 December 2024;
- 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 103,743,252 as of 31 December 2024;
- a loan agreement secured by Banca Comercială Română and Provita Pain Clinic S.A., with an outstanding balance of RON 438,743 as of 31 December 2024;
- a loan agreement secured by Libra Bank and Policlinica Union S.R.L., with an outstanding balance of RON 59,655 as of 31 December 2024;
- a loan agreement secured by Banca Transilvania S.A. and Onco Team Diagnostic S.R.L., with an outstanding balance of RON 64,262 as of 31 December 2024;
- a loan agreement secured by Banca Transilvania S.A. and Euromedica Hospital S.A., with an outstanding balance of RON 1,194,288 as of 31 December 2024;
- 2 loan agreements secured by Libra Bank and Centrul Medical Antares S.R.L., with an outstanding balance of RON 729,389 as of 31 December 2024;
- an overdraft facility agreement secured by Garanti Bank S.A. and Med Life S.A., with the amount drawn as of 31 December 2024 being RON 9,948,200;
- an overdraft facility agreement secured by Unicredit Tirioc Bank and Prima Medical S.R.L., with a maximum credit limit of RON 800,000, fully drawn as of 31 December 2024;

- an overdraft facility agreement secured by Banca Transilvania S.A. and Pharmachem Distributie S.R.L., with an outstanding balance of RON 5,775,645 as of 31 December 2024;
- an overdraft facility agreement concluded between Banca Transilvania S.A. and Medical City Blue S.R.L., with an outstanding balance of RON 500,000 as of 31 December 2024;
- 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 2,871,435 as of 31 December 2024;
- an overdraft facility agreement concluded between Banca Transilvania S.A. and Personal Genetics S.R.L., with an outstanding balance of RON 689,371 as of 31 December 2024;

The interest rate for each loan, for each interest period, is the annual rate representing the sum of the applicable margin and, depending on each loan's currency, EURIBOR 6M for the amounts in EUR or ROBOR 6M for the amounts in RON. As at December 31, 2024 none of the Group members was in breach of any applicable term of the financing facilities.

Company	Bank	Currency	Maturity
Group Loan	Club**	EUR	15-Nov-29
Clinica Polissano SRL	CEC Bank	RON	29-Mar-33
Ghencea Medical Center SA (merged under SC Anima Speciality Medical Services SRL)	Banca Transilvania	RON	29-Jun-28
Micromedica Roman SRL	Banca Transilvania	RON	30-Jun-25
Centrul Medical Micromedica SRL	Banca Transilvania	RON	30-Jun-25
Dent Estet Ploiesti SRL	Banca Transilvania	RON	11-Oct-28
Pro Life Clinics SRL	Banca Transilvania	RON	16-Nov-31
Provita Pain Clinic SA	Banca Comerciala Romana	EUR	05-Dec-28
Medical City Blue SRL	Banca Transilvania	EUR	17-Jul-29
Centrul de diagnostic si tratament Provita SRL	Banca Transilvania	EUR	20-Jan-32
Onco Team Diagnostic SA	Banca Transilvania	RON	05-Aug-25
Policlinica Union SRL	Libra Bank	RON	15-Apr-26
Euromedica Hospital SA	Banca Transilvania	RON	25-May-28
Centrul Medical Antares	Libra Bank	RON	05-Oct-27

\* The companies that are part of the group loan are: MEDLIFE S.A., BAHTCO INVEST S.A., POLICLINICA DE DIAGNOSTIC RAPID S.A., CLINICA POLISSANO 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., 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., STEM CELLS BANK S.A., SFATUL MEDICULUI.RO S.A., MEDICI'S SA, CENTRUL MEDICAL PANDURI S.R.L., SPITAL LOTUS S.R.L., MUNTENIA MEDICAL COMPETENCES S.A., and ONCO TEAM DIAGNOSTIC S.R.L.

\*\* The group of banks that signed the loan consists of: Banca Comerciala Română S.A, BRD Groupe Société Générale S.A, Banca Transilvania S.A, Raiffeisen Bank S.A and ING Bank N.V Amsterdam – Bucharest Branch.

As of 28th of December 2023, according to the transfer certificate signed, Erste Group Bank AG has left the club group of banks, transferring all the existing rights and obligations under the Facilities Agreement to Banca Comerciala Română.

As at 31 December 2024, in relation to the syndicated loan with balance of RON 1,129,646,367, the Group has pledged the property, plant and equipment with a carrying value of RON 389,619,047. The Group has also pledged the carrying value of the current accounts in a total amount of RON 48,630,669 and pledged receivables of RON 112,815,235 at 31 December 2024.

As at 31 December 2024, in relation to the loans with balance of RON 130,490,569, the Group has pledged the property, plant and equipment with a carrying value of RON 51,358,033. The Group has also pledged the carrying value of the current accounts in a total amount of RON 2,234,554, inventories in total amount of RON 16,745,929 and receivables in total amount of RON 9,658,968 as at 31 December 2024.

The Company has pledged shares in relation with the companies acquired until December 31, 2024 and pledged assets in relation to the other loans presented in Note 14.

The Group's capital management, among other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches of the financial covenants of any interest-bearing loans and borrowing in the current period.

A reconciliation of cash and non-cash movements of loans payable, lease liabilities and other assets is presented in the following table:

<b>Liabilities from financing activities</b>				
	<b>Borrowings</b>	<b>Leases</b>	<b>Overdraft</b>	<b>Total</b>
<b>Financial Debt as at 31 December 2023</b>	<b>(1,122,936,983)</b>	<b>(408,748,133)</b>	<b>(29,835,472)</b>	<b>(1,561,520,588)</b>
<b>Cash movements</b>				
Cash flows net related to principal	(137,155,025)	97,366,474	1,836,099	<b>(37,952,452)</b>
Payments of interest	62,156,069	19,708,123	2,016,730	<b>83,880,922</b>
<b>Non-cash movements</b>				
New leases	-	(82,205,306)	-	<b>(82,205,306)</b>
Foreign exchange adjustments	225,079	227,113	1,000	<b>453,192</b>
Business combinations	(2,165,715)	(682,147)	(1,000,000)	<b>(3,847,862)</b>
Other changes (non-cash movements)	(62,615,094)	(19,979,734)	(2,094,424)	<b>(84,689,252)</b>
<b>Financial Debt as at 31 December 2024</b>	<b>(1,262,491,670)</b>	<b>(394,313,610)</b>	<b>(29,076,066)</b>	<b>(1,685,881,346)</b>

\*Other changes (non-cash movement) contains the accrued interest expense.

## 15. SHARE CAPITAL AND SHARE PREMIUM

The issued share capital in nominal terms consists of 531,481,968 ordinary shares as at 31 December 2024 (31 December 2023: 531,481,968) 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.

	<b>31 December 2024</b>	<b>31 December 2023</b>
Share capital	132,870,492	132,870,492
Share premium	(308,155)	(308,155)
<b>TOTAL</b>	<b>132,562,338</b>	<b>132,562,338</b>

During 2024 the Group reacquired own equity instruments (treasury shares) in a total amount of RON 1,078,836 (2023: RON 488,718) and released no shares (2023: RON 3,026,045, net of commissions). No amount was recognised for the difference between the fair value and cost of own shares, since no change was made (compared with 2023, when the amount recognised was RON 308,155 and was included as an increase on the share premium account). The total number of shares held by the entity is 427,042 as of 31 December 2024 (162,984 as of 31 December 2023).

## 16. EARNINGS PER SHARE

### Basic and diluted earnings per share

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Total basic and diluted earnings per share attributable to the ordinary equity holders of the company	0.047	0.007

### Earnings used in calculating earnings per share:

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Profit attributable to the ordinary equity holders of the company used in calculating basic and diluted earnings per share	25,035,987	3,684,292

### Weighted average number of shares used as the denominator

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share	531,120,466	531,357,870

For the weighted average number of shares in the prior year, the bonus issue that took place in 2023 is reflected as if the shares were outstanding from the beginning of the year (1st of January 2023).

## 17. RESERVES

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

	December 31, 2024	December 31, 2023
Legal reserves (i)	10,940,219	10,188,638
Other reserves (ii)	71,793,388	52,874,529
Revaluation reserves (iii)	149,497,049	149,497,049
<b>TOTAL</b>	<b>232,230,657</b>	<b>212,560,216</b>
<b>(i), (ii) Legal reserves and other reserves</b>	<b>December 31, 2024</b>	<b>December 31, 2023</b>
<b>Balance at beginning of the year</b>	<b>63,063,166</b>	<b>55,094,193</b>
Movements	19,670,441	7,968,973
<b>Balance at the end of the year</b>	<b>82,733,607</b>	<b>63,063,166</b>
<b>(iii) Revaluation reserves</b>	<b>December 31, 2024</b>	<b>December 31, 2023</b>
<b>Balance at beginning of the year</b>	<b>149,497,049</b>	<b>149,497,049</b>
Decrease arising revaluation correction	-	-
Increase due to revaluation	-	-
Deferred tax related to revaluation	-	-
<b>Balance at the end of the year</b>	<b>149,497,049</b>	<b>149,497,049</b>

Other reserves have increased in 2024 with 18,918,860 RON (2023: RON 7,147,653) in order to re-invest the profits earned during the year, in order to benefit from fiscal facilities granted according to the national legislation.

The properties revaluation reserve arises on the revaluation of land and buildings. During 2022, the Group engaged an independent appraiser to determine the fair value for land and buildings as of 31 December 2022.

When revalued land or buildings are sold or otherwise disposed of, the portion of the properties revaluation reserve that relates to that asset, and that is effectively realized, is transferred directly to general reserves.

The effects of taxes on income, if any, resulting from the revaluation of property, plant and equipment are recognized and disclosed in accordance with IAS 12 Income Taxes (please see Note 26).

## 18. NON-CONTROLLING INTEREST

	December 31, 2024	December 31, 2023
<b>Balance at beginning of year</b>	<b>78,900,725</b>	<b>65,257,412</b>
Share of profit/(loss) for the year	(8,283,560)	(7,849,149)
NCI arising on the acquisition of subsidiaries	3,065,788	27,511,565
Subsequent acquisition of NCI	197,920	(4,118,682)
Distribution of dividends	(1,861,916)	(1,900,421)
<b>Balance at year end</b>	<b>72,018,957</b>	<b>78,900,725</b>

### Changes in ownership interest without loss of control

#### Increased participation in SC M-Profilaxis SRL

In October 2024, MedLife SA completed the acquisition of additional 20% shares in SC M-Profilaxis SRL company, reaching a 100% stake. In 2022, MedLife SA acquired a majority stake of 80% in SC M-Profilaxis SRL.

#### Increased participation in Sanopass SA

In October 2024, MedLife SA completed the acquisition of additional 37.5% shares in Sanopass SA company, reaching a 100% stake. In 2022, MedLife SA acquired a majority stake of 51% in Sanopass SA, one of the most active Romanian startups in the healthtech area, which offers medical, wellness and fitness services on a subscription and individual basis.

### **Increased participation in Pro Life Clinics SRL**

In October 2024, MedLife increased its participation with 18% shares in Pro Life Clinics SRL, reaching a stake of 78%. Pro Life Clinics SRL has been part of MedLife System since 2022, when representatives announced the acquisition of 60% of its shares.

As a result of the acquisition of the additional 18% of the issued shares in Pro Life, an additional 37.5% of the issued shares in Sanopass and acquired additional 20% in shares in Profilaxis, for a total consideration of RON 6,424,755, out of which RON 371,815 was made in cash, the remaining amount was recognised as a payable (consideration to be paid, please see below for further details).

Immediately prior to the purchase, the carrying amount of the existing non-controlling interest in Group was (197,920) RON. The Group recognised a increase in non-controlling interests of (197,920) RON and a decrease in equity attributable to owners of the parent of 6,622,675 RON. The effect on the equity attributable to the owners of Group during the year is summarised as follows:

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Carrying amount of non-controlling interests acquired	(197,920)	4,118,682
Consideration paid to non-controlling interests	(371,815)	(6,984,284)
Consideration to be paid to non-controlling interests	(6,052,940)	(1,819,509)
Consideration as a result of release of own shares	-	(2,717,890)
Excess of consideration paid recognised in the transactions with non-controlling interests reserve within equity	<b>(6,622,675)</b>	<b>(7,403,001)</b>

There is no individually Non-controlling interest when assessed at an individual level.

Please refer to Note 1 Description of the business where a list with all subsidiaries in the Group is provided, with details on the name of the subsidiary, the principal place of business and the proportion of ownership interests held in those subsidiaries.

## **19. 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 clinics and various hospitals within Romania. Please see breakdown below on each business line.

<b>Business Line</b>	<b>12 months 2024 Sales</b>	<b>% of Total Sales</b>	<b>12 months 2023 Sales</b>	<b>% of Total Sales</b>	<b>Variation 2024/2023</b>
Clinics	1,022,354,056	37.6%	831,236,066	37.6%	23.0%
Stomatology	125,518,088	4.6%	121,778,348	5.5%	3.1%
Hospitals	661,486,735	24.4%	480,454,826	21.7%	37.7%
Laboratories	295,352,374	10.9%	230,656,316	10.4%	28.0%
Corporate	296,968,035	10.9%	259,493,546	11.7%	14.4%
Pharmacies	69,239,459	2.5%	60,709,968	2.7%	14.0%
Others	244,655,964	9.0%	226,106,278	10.2%	8.2%
<b>TOTAL SALES</b>	<b>2,715,574,711</b>	<b>100%</b>	<b>2,210,435,348</b>	<b>100%</b>	<b>23%</b>

The Group has only one reportable segment, the Healthcare segment, for which the total revenues disaggregated into categories by timing of revenue comprise services transferred at a point in time, in a total amount of RON 2,127,708,089 (12 months 2023 : RON 1,680,270,282) and services transferred over time, in a total amount of RON 296,968,035 (12 months 2023 : RON 259,493,546).

On the Other category, the Group obtains revenues from goods transferred at a point in time mainly from Pharmacies and Others business lines, through the Group's distribution line.

The Group has around 32% of its sales during 2024 (27% during 2023) deriving from the treatment of NHIH insured patients.

The revenues of the Group are generated on the Romanian market, below 1% being generated from other geographical locations (Hungary). The entire amount included in contract liabilities at the beginning of the year (as per Note 10) was recorded as revenue in 2024.

## 20. OTHER OPERATING INCOME

	12 months 2024	12 months 2023
Other operating income	7,055,929	8,663,169
Income from operating grants	1,794,334	2,637,466
<b>TOTAL</b>	<b>8,850,263</b>	<b>11,300,635</b>

## 21. THIRD PARTY EXPENSES

	12 months 2024	12 months 2023
Medical services PFA / SRL / CMI	676,842,843	549,773,038
Consulting services	8,795,923	8,243,239
Cleaning and laundry	17,781,753	14,239,586
Legal services	6,742,569	5,811,609
Other services	1,090,115	3,582,027
Waste collection and sanitation	6,343,519	4,926,184
Security and safety	4,675,825	4,371,462
IT services	6,409,744	4,961,917
Logistics and telecommunications services	5,699,139	5,122,958
Accreditations and authorizations	2,062,506	2,812,640
Storage and archiving services	797,750	855,125
Others	28,380,803	20,609,323
<b>TOTAL</b>	<b>765,622,489</b>	<b>625,309,108</b>

Around 88% of total Third party expenses incurred during 2024 and 2023 refer to collaboration contracts concluded with doctors.

The amounts included in the "Others" category represent Third party expenses cumulated from all Group entities, that cannot be further itemised and they represent 4% out of the total Third party expenses (2023: around 3%).

## 22. OTHER OPERATING EXPENSES

	12 months 2024	12 months 2023
Utilities	34,988,497	34,016,431
Repairs maintenance	22,419,581	19,369,183
Rent	16,481,797	12,823,124
Insurance premiums	6,982,497	5,962,658
Promotion expense	47,269,456	37,019,353
Communications	6,584,857	6,030,747
Other administration and operating expenses	27,348,695	29,081,116
<b>TOTAL</b>	<b>162,075,380</b>	<b>144,302,612</b>

On the Other administration and operating expenses it is included an amount of RON 6,960,206 (2023: RON 10,539,331) related to other (fiscal) taxes for the state budget, an amount of RON 4,511,144 (2023: RON 5,282,510) related to transportation and travel expenses, the remaining amounts representing other operating expenses incurred by the Group.

## 23. MANAGEMENT AND STAFF PERSONNEL EXPENSES

The structure of Med Life personnel is described below:

	December 31, 2024	December 31, 2023
Management	234	242
Staff	7,159	6,755
<b>Total</b>	<b>7,393</b>	<b>6,997</b>

The short-term benefits paid by the Group, by type of personnel are described below:

	December 31, 2024	December 31, 2023
Management	73,821,887	62,758,533
Staff	595,641,457	499,746,678
<b>Total</b>	<b>669,463,344</b>	<b>562,505,211</b>



For key management personnel expenses, please refer to Note 25 (b).

## 24. NET FINANCIAL RESULT

	12 months 2024	12 months 2023
Finance cost	(95,576,053)	(76,309,357)
Bank fees	(7,054,935)	(5,861,338)
Interest income	2,175,920	3,423,077
Other income	462,070	1,221,841
(Loss)/Gain from foreign exchange rate	(1,346,241)	(9,692,103)
<b>FINANCIAL NET PROFIT/(LOSS)</b>	<b>(101,339,241)</b>	<b>(87,217,880)</b>

## 25. RELATED PARTIES

### (a) Main shareholders

As of December 31, 2024, the shareholders' structure of Med Life SA is as presented below:

	Number of shares	%	Value
Cristescu Mihaela Gabriela	74,642,760	14.04%	18,660,690
Marcu Mihail	72,944,828	13.72%	18,236,207
NN privately administered Pensions Fund	70,356,940	13.24%	17,589,235
Marcu Nicolae	54,631,600	10.28%	13,657,900
AZT Viitorul Tau privately administered Pensions Fund (Allianz Tiriac)	46,219,200	8.70%	11,554,800
Metropolitan Life privately administered Pensions Fund	34,763,991	6.54%	8,690,998
International Finance Corporation (IFC)	24,110,400	4.54%	6,027,600
Other Legal persons	125,066,423	23.53%	31,266,606
Med Life S.A.	427,042	0.08%	106,761
Other Individuals	28,318,784	5.33%	7,079,696
<b>TOTAL</b>	<b>531,481,968</b>	<b>100%</b>	<b>132,870,492</b>

As of December 31, 2023, the shareholders' structure of Med Life SA was as presented below:

	Number of shares	%	Value
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>

Please refer to Note 15 and Note 16.

### (b) Executive Committee and Board of Directors' compensation - key management personnel expenses

Compensations granted to the members of the Executive Committee were as follows:

	<u>12 luni 2024</u>	<u>12 luni 2023</u>
Comitetul Executiv	8,179,674	7,709,531

Executive Committee compensation includes the payments toward members of the top management under their mandate contracts concluded with the Company for a period of 4 years.

As at January 1, 2024, the Company's Executive Committee consisted of ten managers remunerated based on mandate agreements.

Considering the expiration of the mandates of the members of the Executive Committee of the Company on October 21, 2024, the mandates of the following members were extended, starting from October 21, 2024, until October 20, 2028:

- Mr. Mihail Marcu as Chief Executive Officer and Member of the Executive Committee;
- Mr. Nicolae Marcu as Director of Health and Operations and Member of the Executive Committee;
- Mr. Dorin Preda as Deputy Chief Executive Officer and Member of the Executive Committee;

- Ms. Oana-Alina Irinoiu as Chief Financial Officer and Member of the Executive Committee.  
The new Executive Committee of the Company is reduced from 10 to 5 members, with 4 members appointed as stated above and one position remaining vacant.

Compensations granted to the members of the Board of Directors were as follows:

	<b>12 months 2024</b>	<b>12 months 2023</b>
Board of Directors	4,099,181	3,840,591
<i>out of which:</i>		
Indemnity	3,860,308	3,840,591
Benefits	238,873	-

The Directors do not benefit from a variable remuneration component.

Med Life SA Board of Directors consists of 7 members under administration agreements concluded with the Company, and approved by the General Shareholders Meeting.  
The members' mandates are for a period of 4 years, starting with 22 December 2024, according to the Ordinary General Shareholders Meeting no. 1 / 21.11.2024.

The composition of Medlife's Board of Directors remained the same:

Mihail Marcu – Executive Director – Chairman of the BoD  
Nicolae Marcu – Executive Director – Member of the BoD  
Dorin Preda – Executive Director – Member of the BoD  
Ana Maria Mihaescu – Non-executive Director – Member of the BoD  
Dimitrie Pelinescu-Onciul – Non-executive Director – Member of the BoD  
Voicu Cheta – Non-executive Director – Member of the BoD  
Ovidiu Fer – Non-executive Director – Member of the BoD

During the year 2024 there have been no amendments to the composition of Medlife's Board of Directors.

### (c) Related parties

The related parties identified are as follows:

	<b>Receivables from</b>		<b>Payables to</b>	
	<b>December 31,</b>	<b>December 31,</b>	<b>December 31,</b>	<b>December 31,</b>
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Shareholders	-	-	116,345	116,429
Minority Shareholders	3,801	-	25,710,480	23,296,795
Other related Parties	24,373	21,717	119,934	4,242,935
<b>Total</b>	<b>28,174</b>	<b>21,717</b>	<b>25,946,758</b>	<b>27,656,159</b>

	<b>Sales in 2024</b>	<b>Sales in 2023</b>	<b>Purchases in</b>	<b>Purchases in</b>
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Shareholders	-	-	700,800	700,800
Minority Shareholders	1,463	1,414	-	-
Other related Parties	26,991	13,833	182	80,115
<b>Total</b>	<b>28,454</b>	<b>15,247</b>	<b>700,982</b>	<b>780,915</b>

## 26. TAXATION

	December 31, 2024	December 31, 2023
Current income tax expense	26,449,100	13,541,391
Deferred tax income	(4,132,397)	(5,077,050)
<b>Total income tax expense</b>	<b>22,316,703</b>	<b>8,464,341</b>
<b>Profit before tax</b>	<b>39,069,130</b>	<b>4,299,484</b>
Tax expense using the statutory rate of 16% (2023: 16%)	6,251,061	687,917
Fiscal effect of non-deductible expenses	6,244,894	2,632,208
Fiscal effect of non-taxable income	(271,099)	(4,770,402)
Fiscal effect of deductible legal reserve	-	(54,602)
Sponsorship/other compensation	(3,100,260)	(953,559)
Reinvested profit and other fiscal facilities	(2,678,305)	(1,318,674)
Adjustments in respect of current income tax of previous years	(431,308)	(399,387)
Other elements (including different fiscal treatment)	16,301,720	12,640,840
<b>Income tax for the current year</b>	<b>22,316,703</b>	<b>8,464,341</b>
	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Income tax liabilities as at 1 January	321,242	814,508
Income tax liabilities through acquisitions	(167,553)	137,102
Income tax paid in the current year	(22,280,461)	(14,171,759)
Income tax payable in the current year	26,449,100	13,541,391
<b>Current tax liabilities as at 31 December</b>	<b>4,322,327</b>	<b>321,242</b>

Components of deferred tax	31 December 2024	Change in deferred tax	31 December 2023
<b>Deferred tax assets</b>			
Non-current assets	-	-	-
Impact of IAS 12 amendments, in relation to lease transactions	28,084,113	3,095,275	31,179,388
Amount related to untaken holidays provisions	2,785,548	(1,006,900)	1,778,648
<b>Total deferred tax asset</b>	<b>30,869,660</b>	<b>2,088,376</b>	<b>32,958,036</b>

Deferred tax liability	31 December 2024	Change in deferred tax	31 December 2023
Assets acquired in a business combination	22,331,116	1,338,294	20,992,822
Other elements	104,870	-	104,870
Impact of IAS 12 amendments, in relation to lease transactions	28,497,034	(2,791,419)	31,288,453
Land and buildings revaluation	25,173,236	(296,429)	25,469,666
<b>Total deferred tax liability</b>	<b>76,106,257</b>	<b>(1,749,554)</b>	<b>77,855,811</b>
<b>Net deferred tax liability</b>	<b>45,236,597</b>	<b>338,822</b>	<b>44,897,775</b>

Components of deferred tax	31 December 2023	Change in deferred tax	31 December 2022
<b>Deferred tax assets</b>			
Non-current assets	-	-	-
Impact of IAS 12 amendments, in relation to lease transactions	31,179,388	(31,179,388)	-
Amount related to untaken holidays provisions	1,778,648	(446,464)	1,332,184
<b>Total deferred tax asset</b>	<b>32,958,036</b>	<b>(31,625,852)</b>	<b>1,332,184</b>

Deferred tax liability	31 December 2023	Change in deferred tax	31 December 2022
Assets acquired in a business combination	20,992,822	3,943,981	17,048,841
Other elements	104,870	-	104,870
Impact of IAS 12 amendments, in relation to lease transactions	31,288,453	31,288,453	-
Land and buildings revaluation	25,469,666	(2,958,967)	28,428,633
<b>Total deferred tax liability</b>	<b>77,855,811</b>	<b>32,273,467</b>	<b>45,582,344</b>
<b>Net deferred tax liability</b>	<b>44,897,775</b>	<b>647,615</b>	<b>44,250,160</b>

The Group accrues income taxes at the rate of 16% on profits computed in accordance with the Romanian tax legislation. The net effect of the change on deferred tax balances recognized as at December 31, 2024, except for the deferred tax related to the revaluation reserve which is recognized in equity, is reflected in the statement of comprehensive income for the year then ended.

During 2024, the Group has recognised a deferred tax liability from business combination in the amount of RON 4,471,220 (please refer to Note 27) and decreased the same account with RON 3,132,926.

## 27. BUSINESS COMBINATIONS

### 27.1. Acquisition of subsidiaries

During the reporting period, the following important events have occurred (percentages below represent equity interest):

- Acquisition of 100% shares in Provita 2000 in January 2024
- Acquisition of 56% shares in Med Varix SRL in May 2024
- Acquisition of 100% shares in Personal Genetics SRL in April 2024
- Acquisition of 100% shares in VP-MED Kereskedelmi es Szolgáltato Korlatolt Felelossegu Tarsasag in September 2024
- Acquisition of 100% shares in Centrul Medical Antares SRL in September 2024
- Acquisition of 80.33% shares in grup Euromedica (Euromedica Hospital SA and Euromedica Administrator SA) in September 2024.

#### **Provita 2000 Medical Center acquisition (Sfanta Maria Group acquisition)**

*In January 2024, MedLife, through the Sfanta Maria network, acquired the Provita 2000 Medical Center in Constanta. Established in 1992, Provita 2000 Medical Center quickly became one of the traditional medical centers for the people of Constanta, offering its clients a very wide range of medical services.*

#### **Personal Genetics acquisition**

*In April 2024, MedLife announced the acquisition of Personal Genetics, a human medical genetics center with national coverage, established in 2011, thus becoming the operator with the greatest expertise in the field of genetic sequencing and molecular biology, and one of the largest networks of laboratories and collection centers at national level. Personal Genetics, through its extensive network of 18 centers throughout the country and multiple international certifications, offers advanced genetic diagnostic services for a wide range of conditions, in oncology, onco-hematology, gynecology and rare diseases, being actively engaged in the development and application of new methods to improve patients' quality of life.*

#### **Medvarix Clinic acquisition (Medici's acquisition)**

*In May 2024, MedLife, through Medici's, acquired Medvarix Clinic in Timisoara, a center of excellence in the treatment of varicose veins and hemorrhoids. Along with these main specializations, the clinic offers plastic surgery, aesthetic surgery and general and minor surgery consultations, dermatology and ultrasound, as well as obesity consultations, and uses the most modern, minimally invasive treatment methods as well as the latest generation of devices, both in the field of investigation and diagnosis, as well as treatment.*

#### **Antares Clinic Group acquisition (Micromedica acquisition)**

*In July 2024, MedLife, through Centrul Medical Micromedica, announced the signing of the acquisition of the entire package of the Antares Clinic Group, one of the most important providers of private medical services in the Moldova region. The Group offers patients a wide range of investigations, from multidisciplinary consultations for more than 25 medical specialties and laboratory services to complex imaging investigations and has 3 large outpatient units located in Piatra Neamt, Botosani and Onesti, as well as 2 laboratories in Piatra Neamt and Botosani. The transaction was finalized in September 2024.*

#### **Euromedica Baia Mare Group acquisition (Polisano acquisition)**

*In September 2024, MedLife, through Polisano, acquired 80% of Euromedica Baia Mare Group (Euromedic Hospital and Euromedic Administrator). The Euromedica Baia Mare Group operates a medium-sized hospital offering multidisciplinary services, an outpatient clinic, a laboratory, and an imaging department, with a team of over 40 employed and affiliated doctors. The hospital is equipped with 50 beds and two operating rooms, while the outpatient area offers 14 medical specialties and an imaging unit.*

#### **VP-Med Hungary acquisition (Grup Genesys acquisition)**

*In September 2024, MedLife, through the Genesys Group in Arad, acquired the VP-MED Health and Education Centre in Hungary, which primarily offers modern varicose vein surgical procedures, such as laser surgery and radiofrequency surgery, as well as interventions that do not require anesthesia.*

## 27.2. Assets acquired and liabilities recognized at the date of acquisition

Assets acquired and liabilities recognized at the date of acquisition	31 December 2024	31 December 2023
<b>Non-current assets</b>	<b>50,380,157</b>	<b>255,118,244</b>
out of which		
- Intangible assets	4,558,686	21,313,560
- Property, plant and equipment	42,238,796	136,140,627
- Right-of-use assets	3,582,675	97,664,058
- Others	-	-
<b>Current assets</b>	<b>12,173,932</b>	<b>37,741,647</b>
out of which		
- Inventories, cash and prepayments	6,516,987	30,106,969
- Trade Receivables and other receivables	5,656,944	7,634,678
<b>Current liabilities</b>	<b>29,730,935</b>	<b>167,950,250</b>
out of which		
- Overdraft	2,240,453	2,616,150
- Current tax liabilities	(167,553)	137,102
- Trade and other liabilities	17,963,266	38,124,829
- Lease liabilities	3,658,139	120,884,820
- Current portion of long term debt	-	-
- Provisions	1,565,410	462,682
- Deferred tax arising at acquisition	4,471,220	5,724,666
<b>Non-current liabilities (Borrowings on long term)</b>	<b>2,165,715</b>	<b>38,657,131</b>
<b>Net assets</b>	<b>30,657,439</b>	<b>86,252,510</b>

All business combination during 2024 are not material when individually assessed.

Tangible and intangible assets fair value valuation methodology uses a mix between the cost approach and the income approach, which estimates the depreciation of the assets considering also the economic benefits that would be generated by that particular assets. For certain medical equipment and vehicles, for which publicly available information allows, fair value was measured using market approach.

If these acquisitions would have been completed on the first day of the financial year, Group revenues for the year would have been RON 2,760,521,060 and Group profit would have been RON 20,349,745.

## 27.3. Acquisition related costs

The Group incurred acquisition-related costs of RON 1,765,635 on legal fees and due diligence costs. These costs have been included in Other operating expenses.

## 27.4. Goodwill arising on acquisition

	31 December 2024	31 December 2023
Consideration transferred	79,180,559	135,463,957
Less: fair value of identifiable net assets acquired	(30,657,439)	(86,252,510)
Less: fair value of loan receivable	(9,940,000)	-
minus: the value of other recognized liabilities	4,990,453	
Plus non-controlling interest	3,065,788	27,511,565
<b>Goodwill arising on acquisition</b>	<b>46,639,362</b>	<b>76,723,011</b>

The goodwill is attributable to the workforce and also to the know-how acquired and the high profitability of the acquired business. It will not be deductible for tax purposes.

In 2024, the difference between consideration transferred (as stated here in Note 27.4.) and consideration paid in cash (as stated in Note 27.5.) represents deferred consideration for business combination in 2024, in the amount of RON 23,772,554 and prepayment for business combination in 2023, in the amount of RON 44,465,251.



## 27.5. Net cash outflow on acquisition of subsidiaries

	<b>31 December 2024</b>	<b>31 December 2023</b>
Consideration paid in cash	55,151,931	90,998,706
Less: cash and cash equivalent balances acquired at acquisition date	(3,645,572)	(24,454,041)
<b>Total</b>	<b>51,506,359</b>	<b>66,544,664</b>

In 2023, the consideration paid in cash included also the prepayment for future business combination.

## 28. CAPITAL MANAGEMENT

The Group manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in Note 14, cash and cash equivalents disclosed in Note 8 and equity, comprising issued capital, reserves and retained earnings as disclosed in note 15, 16 and note 17.

The Group's risk management reviews the capital structure regularly. As a part of this review, the management considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the management, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

The Group has grown in 2024 principally through acquisitions and less through organic development. In expanding organically, the Group is exposed to potential loss of capital if the expansion or new activities do not immediately meet their financial objectives.

The Group's objectives have been to balance the cash generation from established business units into higher risk investments in new activities. This has left the equity levels of the Group as a buffer to protect the Group in case of variations in performance that could impact the established activities. The Group has used debt funding for acquisitions of businesses due to the historically low cost of debt funding and availability of liquidity on the financial markets. When assessing the adequacy of the Group's equity for the activities and exposures the Group analyses the ratio of loans payable net of cash to total equity (including non-controlling interests), as presented in the following table:

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Interest-bearing loans and borrowings without overdraft	1,262,491,670	1,122,936,983
Cash and cash equivalents	112,808,224	100,271,093
Loans payable net of cash	1,149,683,446	1,022,665,890
Total Equity	504,644,731	494,192,023
<b>Ratio total equity to loans payable (without overdraft) net of cash</b>	<b>0.44</b>	<b>0.48</b>

The medium-term aim of the Group is to manage this ratio at sustainable levels whilst continuing to invest in new business development and acquisitions to maintain a balanced capital structure between debt and equity.

## 29. RISK MANAGEMENT

The Group's Board of Directors has the overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. The Audit Committee is responsible for monitoring and addressing issues concerning the effectiveness and efficiency of the Group's internal controls, regulatory compliance and risk management.

In the course of its business the Group is exposed to a number of financial risks, including credit, interest rate, liquidity and foreign currency risks.

This note presents the Group's objectives, policies and processes for managing these risks and methods used to measure risks.

The central treasury function has an important role in managing the Group's financial risks with the aim to control and manage the Group's financial exposure and financial costs with a balance between risk and costs.

**(a) Credit risk**

Financial assets that potentially give rise to concentrations of credit risk consist principally of cash, short-term deposits, trade receivables, long-term receivables from stem cells processing and advances for acquisitions of subsidiaries (in the prior year).

The Group's cash equivalents and short-term deposits are placed with reputable financial institutions with a high credit rating.

Trade receivables are represented net of the allowance for expected credit losses. Credit risk with respect to trade receivables is limited due to the large number of customers comprising the Group's customer base, which consists mainly of both individuals and companies. Around 60% of the total sales are cash-based with remaining being based on issuance of invoices. The financial condition of these customers in relation to their credit standing is evaluated on an ongoing basis.

The Group has also developed certain procedures to assess legal entities as customers prior to signing contracts, aimed at providing health care packages (PPMs), and monitoring their ability to meet the payments during the course of contracts. Also, the Group has established an internal Collection department which actively monitors encashments received from customers.

Other long-term receivables for stem cells processing are represented net of the allowance for expected credit losses. Receivables were individually assessed taking into account specific information available in individual cases in order to measure credit risks. An allowance for expected credit losses was determined for certain customers for which management assessed high credit risk.

The gross carrying amounts of financial assets (before credit loss allowances) included in Note 5.3. and Note 7.1. represent the Group's maximum exposure to credit risk in relation to these assets.

The Group has only 32% of its sales during 2024 deriving from the treatment of NHIH insured patients (concentration of credit risk) – reliance on major customers, but in the management's view, the associated credit risk with the receivable balance is considered to be low, based on historical practice and specifics of the contracts (please also see Note 7 for further details).

At 31 December 2024 and 31 December 2023, the Group did not consider there to be a significant concentration of credit risk. Please see Note 7 Receivables, for further details regarding credit risks of trade receivables and expected credit loss allowance, Note 5.3 Other financial assets, for further details regarding credit risks of long-term receivables for stem cells processing and expected credit loss allowance and also 3.13.1 Financial assets, for further details of accounting policies used by the Group.

**(b) Interest rate risk**

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Group is exposed to interest rate risk because it borrows funds at floating interest rates. The higher risk is represented by funds borrowed in the national currency, because the interest rates are periodically repriced based on index variation.

Lease contracts concluded in the national currency are also exposed due to the above repricing process, as the discount rate in this case is linked to the internal borrowing rates for funds withdrawn in the national currency.

**Interest rate sensitivity analysis**

The sensitivity analysis below has been determined based on the exposure to interest rates for interest bearing financial instruments at the reporting date. Out of the total outstanding balances for both borrowings and leases only the amounts that refers to the Club loan and a significant part of the total lease contracts (which refer to rent of buildings, equipment and vehicles) have been considered for the sensitivity on interest rate computation. These amounts which were included in the analysis cover more than 80% of the total outstanding balances for each category, borrowings and leases.

A 10% percent increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. The assumptions used have not changed from previous years.

Based on historical data, the management of the Group considers a 10% increase in the interest rate as appropriate to be included in the sensitivity analysis performed in relation with interest rate risk measurement. Taking into consideration the value of loans in total and the actual level of the interest rate (as of 31 December 2024), any change with more than 10% is not expected.

According to forecasts available and euribor-rates.eu, the EURIBOR level is predicted to slowly decrease during 2025 (from around 2.5% as of 31 December 2024 to a predicted 2% by mid-2025). This decrease is already supported as of March 2025 when the EURIBOR reached a level of around 2.4%. As a result, the management of the Group does not consider the need of a higher expected increase in interest rate in the sensitivity analysis. Please see Note 14 Net Financial Debt, where the exposure is disclosed to the interest rates.

If interest rates had been 10% higher and all other variables were held constant, the Group's profit for the year ended 31 December 2024 would decrease by RON 9,230,795 RON (2023: decrease with RON 9,726,021). This is mainly attributable to the Group's exposure to interest rates on its borrowings and leases.

Amounts exposed to interest rate risk								
LIABILITIES	Total	Out of which included in the sensitivity analysis		%	Interest expenses per year at the current interest rate for the selected portion	Interest expenses per year at the interest rate increased by 10% for the selected portion	Variation that affects the profit and loss account when the interest rate increases by 10%	
2024								
Overdraft	29,076,066							
Short-Term and Long-Term portions of loans	1,262,491,670	Club loan	1,129,646,367	87%	62,947,452	69,242,197	6,294,745	
Short-Term and Long-Term portions of leases	394,313,610	Contracts that refer to rent of buildings, equipment and vehicles which fall under IFRS 16	320,508,978	81%	17,234,834	20,170,883	2,936,050	
2023								
Overdraft	29,835,472							
Short-Term and Long-Term portions of loans	1,122,936,983	Club loan	1,009,659,583	88%	51,570,638	56,727,702	5,157,064	
Short-Term and Long-Term portions of leases	408,748,133	Contracts that refer to rent of buildings, equipment and vehicles which fall under IFRS 16	336,545,420	82%	14,089,369	18,658,325	4,568,957	
	December 31, 2024	December 31, 2023						
Profit or loss	9,230,795	9,726,021						

**(c) Liquidity risk**

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Liquidity risk refers to the risk that a Group may also not be able to meet its short-term financial obligations due to insufficient liquid assets. One key metric for assessing liquidity risk is the Current Ratio, followed by Operating Cash Flow Ratio, which are presented below.

## Current ratio

	December 31, 2024	December 31, 2023
Current assets	658,905,448	533,508,611
Current liabilities	976,224,339	699,674,033
Ratio Current assets to Current liabilities	<b>0.67</b>	<b>0.76</b>

The current ratio is a vital starting point for assessing liquidity risk, but not sufficient. As the Current ratio is between 0.5 and 1, with a slight decrease in 2024, this indicates a moderate level of liquidity risk.

Given the Group's underlying operating cash flows, its relationships with its banking counterparties, with multiple refinancing or increase in facility arrangements performed in the recent years and the financial strength, the Group does not expect any obstacles to fulfill its financial obligations on short term. Increase in Cash and cash equivalents with 12.5% in 2024 compared with 2023, along with the undrawn facilities ensures sufficient liquidity for the next period.

The following table details the Group's remaining contractual maturity for financial liabilities as of December 31, 2024 and December 31, 2023. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

2024	Weighted average effective interest rate	Carrying amount	Total	Year 1	Year 2	Year 3	Year 4	Year 5	> Year 5
<b>Non-interest bearing instruments</b>									
Trade payables		571,552,330	571,552,330	571,552,330	-	-	-	-	-
<b>Interest bearing instruments</b>									
Overdraft		29,076,066	29,076,066	29,076,066	-	-	-	-	-
Borrowings	EURIBOR 6M / ROBOR 6M + margin	1,262,491,670	1,483,208,638	228,864,423	176,212,765	181,863,865	241,489,725	626,779,800	27,998,061
Lease contracts		394,313,610	511,922,141	109,878,218	83,795,110	63,031,748	43,613,710	27,834,178	183,769,177
<b>Total</b>		<b>2,257,433,676</b>	<b>2,595,759,175</b>	<b>939,371,037</b>	<b>260,007,874</b>	<b>244,895,613</b>	<b>285,103,435</b>	<b>654,613,978</b>	<b>211,767,237</b>
2023	Weighted average effective interest rate	Carrying amount	Total	Year 1	Year 2	Year 3	Year 4	Year 5	> Year 5
<b>Non-interest bearing instruments</b>									
Trade payables		404,553,771	404,553,771	404,553,771	-	-	-	-	-
<b>Interest bearing instruments</b>									
Overdraft		29,835,472	29,835,472	29,835,472	-	-	-	-	-
Borrowings	EURIBOR 6M / ROBOR 6M + margin	1,122,936,983	1,391,452,581	138,827,091	207,680,536	149,171,697	155,143,222	206,070,129	534,559,906
Lease contracts		408,748,133	534,261,128	99,993,360	83,179,560	63,873,360	50,389,472	35,413,806	201,411,571
<b>Total</b>		<b>1,966,074,359</b>	<b>2,360,102,952</b>	<b>673,209,694</b>	<b>290,860,097</b>	<b>213,045,057</b>	<b>205,532,694</b>	<b>241,483,935</b>	<b>735,971,476</b>

**(d) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency).

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

		1 EUR = 4.9741 RON	100 HUF = 1.2106 RON	
2024	RON			Total
<b>ASSETS</b>				
Cash and cash equivalents	99,432,769	11,887,667	1,487,788	112,808,224
Trade receivables	322,382,720	-	1,724,140	324,106,860
Other receivables	55,880,250	-	-	55,880,250
Financial assets	473,440	53,664,971	290,532	54,138,411
<b>LIABILITIES</b>				
Trade payables	557,411,940	9,847,215	4,293,175	571,552,330
Overdraft	19,127,866	9,948,200	-	29,076,066
Other long term debt	69,109,052	-	-	69,109,052
Short-Term and Long-Term portions of loans	18,573,120	1,243,918,550	-	1,262,491,670
Short-Term and Long-Term portions of leases	4,365,479	389,174,295	773,836	394,313,610
		1 EUR = 4.9746 RON	100 HUF = 1.2995 RON	
2023	RON			Total
<b>ASSETS</b>				
Cash and cash equivalents	82,878,300	17,392,793	-	100,271,093
Trade receivables	260,178,448	-	1,485,962	261,664,410
Other assets	50,216,243	-	-	50,216,243
Financial assets	194,810	40,747,730	103,960	40,942,540
<b>LIABILITIES</b>				
Trade payables	391,625,523	10,361,481	2,566,768	404,553,771
Overdraft	19,940,672	9,894,800	-	29,835,472
Other long term debt	47,775,013	-	-	47,775,013
Short-Term and Long-Term portions of loans	19,255,743	1,103,681,240	-	1,122,936,983
Short-Term and Long-Term portions of leases	4,005,481	403,960,440	782,212	408,748,133

The Group is mainly exposed in respect of the exchange rate of the RON versus EUR. The below table details the Group's sensitivity to a 10% increase and decrease in RON against EUR. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates.

If EUR is weakening 10% against RON, the profit will increase and the amount stated below will be positive. For a 10% strengthening of EUR against RON there would be an equal and opposite impact on the profit and the balances below would be negative. The impact will be the same in Equity.

The assumptions used have not changed from previous years. The variation below is presented as absolute amounts.

	31 decembrie 2024	31 decembrie 2023
Profit or loss	158,733,562	146,975,744



## **(e) Sustainability**

**MedLife identifies two major categories of climate-related risks: physical risks and transition risks.** Acute physical risks include extreme weather events such as heatwaves, storms, floods, and wildfires. Chronic risks refer to long-term climate changes that impact temperature, precipitation, and environmental conditions. These can generate cumulative effects on public health, medical infrastructure, and the financial and material resources needed for the healthcare system to function effectively.

The Group is exposed to the following **transition risks**: European and national climate regulations that impose strict standards for energy efficiency and emissions reduction, with a direct cost impact; technological transition, which requires significant investments in efficient equipment and digitalization; changing preferences of consumers and investors toward sustainable providers, which may affect competitiveness; rising energy prices and carbon taxes (ETS2), which increase financial pressure; and wastewater treatment regulations (UWWTD), which may indirectly impact the availability of essential medicines.

**As at 31 December 2024, the Group does not consider that these risks will have a material financial impact in the near term.**

Starting with 2024, the Group calculated its first carbon footprint and initiated a comprehensive analysis of the factors influencing its environmental impact. Although MedLife did not yet have a dedicated formal action plan aimed at reducing its carbon footprint and strengthening climate resilience, certain initiatives with these objectives—direct or indirect—had already been implemented in previous years.

The carbon footprint analysis included emissions across all three categories in line with international standards:

- **Scope 1 (6,189.7 tCO<sub>2</sub>e)** covers direct emissions from the Group's activities, including fuels used by company-operated vehicles or generators, natural gas consumption for company facilities, and fugitive emissions from cooling equipment refrigerants.
- **Scope 2 (3,486.5 tCO<sub>2</sub>e, market-based)** refers to indirect emissions from purchased energy, including both electricity and thermal energy, with electricity being the dominant source.
- **Scope 3**, with the highest share at **178,220.7 tCO<sub>2</sub>e**, covers indirect emissions across the company's value chain. This includes categories such as purchased goods and services, capital goods, upstream transport and distribution, employee commuting, waste generated in operations, business travel, leased assets (both upstream and downstream), end-of-life treatment of products, and fuel- and energy-related activities. For some categories, a breakdown was made between **upstream activities** (from suppliers to the company) and **downstream activities** (from the company to clients).

For more detailed information on the main sustainability impacts, risks and opportunities, as well as related policies, actions, indicators and targets, we invite you to consult the **Group's Sustainability Statement**, which will be included in the **Annual Report**.

## **(f) Ongoing war**

The crisis started in February 2022 and was generated by the invasion of Russia in Ukraine, which led to a sharp increase in energy prices, both in Romania and in other European countries. The invasion created a refugee crisis with the fastest growth in Europe. At the same time, at the regional level, a resource crisis was created due to the imposition of a series of restrictions on the international level, Russia being an important player in the natural gas market in Europe.

Medlife Group does not own subsidiaries and affiliated entities on the territory of Ukraine, nor does it have any other relevant exposures in the countries directly involved in this conflict. From an operational point of view, the purchases of energy and natural gas are mainly made from the domestic market; availability, provenance and delivery of resources could be influenced by the dynamics of the conflict from region.

The consequences of the ongoing conflict in Ukraine, the European energy crisis and resulting regulatory measures and other economic disruptions currently being observed, and further regulatory interventions, as well as the extent and duration of their economic impact cannot be reliably estimated at this stage. The Group is responding to the situation with targeted measures to safeguard its economic stability. Because events are ongoing, the long-term impact can affect cash flows and profitability. However, at the date of these financial statements, the geopolitical context driven by the ongoing conflict in Ukraine has no significant negative impact on the consolidated financial statements as of December 31, 2024.

## **(g) Macroeconomic environment**

The economic context at national and international level that may negatively influence the Group's activity refer to factors such as: inflation, recession, changes in fiscal and monetary policy, tighter lending, higher interest rates, new or rising tariffs, currency fluctuations, raw material price (electricity, natural gas), etc. In 2024, Romania's macroeconomic environment experienced notable shifts compared to 2023, marked by changes in GDP growth, inflation, and unemployment rates.

**GDP Growth:** Romania's real GDP growth decelerated to approximately 1.4% in 2024, down from 2.1% in 2023. This slowdown was primarily due to subdued export performance and a significant current account deficit. However, private consumption remained robust, bolstered by rising disposable incomes and EU-financed investments.

Inflation: Inflationary pressures persisted in 2024, contributing to the deceleration of economic growth. The government implemented budget cuts and froze public sector pay and pensions in an effort to reduce the budget deficit and address high inflation.

Unemployment Rate: Romania's labor market faced challenges amid fiscal austerity measures. Protests from state railway and power grid workers over job and pay cuts indicate labor market tensions during this period.

All in all, 2024 presented economic challenges for Romania, including slowed GDP growth, persistent inflation, and labor market unrest, necessitating structural reforms to stabilize and rejuvenate the economy.

The Group's income or the value of its holdings can be affected by the particular movements in the global financial markets. As a result of the higher interest rates resulting on the market during 2024, the discount rates used in the impairment tests have remained at the same levels, compared with the previous year (between 8.6% and 24% compared with the prior year, between 8.7% and 18.9%). However, as a result of the sensitivity analysis performed, the Group considers that it has sufficient headroom in case of a potential increase above these numbers, with no material impact on the financial statements.

Notably, the healthcare sector has demonstrated considerable resilience to market turbulences. This resilience is attributed to the constant demand for healthcare services, the sector's ability to adapt to changing environments, and strategic investments in technology and infrastructure. This resilience translates into a relatively stable operational and financial outlook, even in the face of economic uncertainties.

Also, the revaluation process held at the end of 2022 on all owned Land and Buildings, which generated an overall surplus at the Group level, brings sufficient confidence over the value of the assets held, being stated at their current fair value less accumulated depreciation in these consolidated financial statements.

The Group revises quarterly its sensitivities to interest rates and foreign currency fluctuations. At the date of these financial statements, the Group considers that the impact of these changes would not affect the ability as a going concern, with appropriate measures undertaken in order to reduce any potential risks.

### 30. FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments in the balance sheet include trade receivables and other receivables, cash and cash equivalents, short-term and long-term loans and trade and other payables. These are presented at amortised cost. The estimated fair values of these instruments approximate their carrying amounts, largely due to the short term maturities of these instruments, except for loans.

The carrying amount of loans approximate their fair value considering the two renegotiations of the syndicated loan signed in 2024 and 2025, in which all the credit facilities were re-arranged in terms of both maturities and interest rates. The syndicated loan covers around 88% of the total Group debt position exposure.

#### Financial instruments that are not held at fair value

At level 1 of the fair value hierarchy, the Group classified cash and cash equivalents as assets that are not held at fair value.

At level 3 of the fair value hierarchy, the Group classified in the category of assets: trade and other receivables, other financial assets, and in the category of debt: loans from banks and other financial institutions, leasing debts, trade payables and other financial liabilities.

The following table shows the fair value and the fair value hierarchy for assets and liabilities that are not measured at fair value in the statement of financial position as at 31 December 2024:

ASSETS	Classification under IFRS 9	Carrying amount	Fair value	Level 1	Level 2	Level 3
Cash and cash equivalents	Amortized cost	112,808,224	112,808,224	112,808,224	-	-
Trade Receivables	Amortized cost	324,106,860	324,106,860	-	-	324,106,860
Other financial assets	Amortized cost	54,138,411	54,138,411	-	-	54,138,411
<b>LIABILITIES</b>						
Trade and other payables	Amortized cost	571,552,330	571,684,040	-	-	571,552,330
Overdraft	Amortized cost	29,076,066	29,076,066	-	-	29,076,066
Other long term debt	Amortized cost	69,109,052	69,327,548	-	-	69,109,052
Lease liability	Amortized cost	394,313,610	394,313,610	-	-	394,313,610
Long term debt	Amortized cost	1,262,491,670	1,262,491,670	-	-	1,262,491,670

In March 2025 (please refer to Note 33) the Group has negotiated with Banca Comercială Română S.A., as Arranger, Agent and Lender and with other credit institutions that are syndicate members acting as Lenders, the terms and conditions of extending the credit limit by an additional amount of up to EUR 50 million. According to the new terms negotiated between the parties, the financing period was prolonged with 2 years and the interest rate margin remained the same. Therefore, the Group considers that the fair value of Long term debt is similar with the carrying amount.

### 31. FAIR VALUE OF NON-FINANCIAL ASSETS

#### *Fair value hierarchy*

This note explains the judgements and estimates made in determining the fair values of the non-financial assets that are recognized and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its non-financial assets into the three levels prescribed under the international financial reporting standards. An explanation of each level is provided in note 3.23. According to the Group's last valuation report prepared in 2022, please see below the fair value measured using level 3.

31 December 2022	Note	Level 1	Level 2	Level 3
Land and buildings	5	-	-	415,917,021

### 31. COMMITMENTS AND CONTINGENCIES

Contingent liabilities are not recognized in the consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is probable. A contingent asset is not recognized in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

The assessment of contingencies inherently involves the exercise of judgment and estimates of the outcome of future events.

#### **Club loan related commitments**

Med Life SA shall not enter into any agreement which will amend, novate, modify or vary the provisions of Med Life's Shareholders' Agreement without the prior written consent of the lenders.

#### **Other commitments**

As at December 31, 2024 and December 31, 2023, the Group holds insurance policies to cover possible liabilities towards doctors for malpractice as well as insurance contracts related to buildings and medical equipment.

In conformity with the concluded agreement with the National House of Health Insurance, the Group has to provide primary medical services to National House's insured citizens.

BCR issued letters of warranties in the favour of Med Life S.A, Pharmachem Distributie S.A., Pharmalife MED S.R.L. and Policlinica de Diagnostic Rapid S.A. in total amount of RON 27,251,550, out of which, in foreign currency, EUR 1,986,737 as of December 31, 2024 (December 31, 2023: RON 16,884,456, out of which EUR 61,309).

#### **Fiscal environment**

The taxation system in Romania is still developing and is subject to various interpretations and constant changes, which may sometimes be retroactive. Although the actual tax due for a transaction may be minimum, delay interests may be significant, as they can be calculated at the value of the transaction and at a rate of 0.02% per day (interest) and 0.01% (penalties) per day.

In Romania the statute of limitation for tax controls (audits) is of 5 years. During 2021, the ultimate parent of the Group had a tax control which covered period from 2016 to 2020. The control was finalised during 2021 and the results were booked in accounting, the impact on the figures being RON 1,153,649. Management believes that the tax obligations included in these financial statements are adequate.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

#### **Transfer pricing**

The fiscal legislation from Romania includes the "market value" principle, according to which the transactions between related parties have to be performed at the market value. The local tax payers, who carry transactions with related parties, have to prepare and make available to the tax authorities from Romania, at their written request, the transfer pricing documentation file. If the companies do not prepare the documentation or they present an incomplete transfer pricing file may attract penalties for non-conformity, and additionally to the information presented in the transfer pricing file, the fiscal authorities may have a different interpretation of the transactions and the circumstances compared to the management's assessment and, as a result, they may impose additional fiscal obligations as a result of adjusting transfer prices. The management of the Group is confident that, if required, they will submit the necessary information in due time to the fiscal authorities.

#### **Litigation**

The Group is involved in various litigations as part of normal course of business. Management has assessed the legal status together with the Group's legal advisors and all necessary adjustments have been recorded in the consolidated financial statements.

## 32. FEES TO AUDITORS

Starting with 2024, the auditor of the Group is Deloitte Audit SRL.

The fee for the audit services of the consolidated financial statements as of December 31, 2024 of the Group prepared in accordance with IFRS as adopted by EU and the separate financial statements as of December 31, 2024 of Med Life SA prepared in accordance with IFRS as adopted by EU in line with the provisions of Ministry of Finance Order no. 2844/2016, as well as the audit services of the other separate financial statements of subsidiaries prepared in accordance with the provisions of Ministry of Finance Order no. 1802/2014 was EUR 348,480 excluding VAT and other expenses.

The fee for other non-audit services performed in 2024 was EUR 71,700, excluding VAT.

## 33. EVENTS AFTER THE BALANCE SHEET DATE

On February 13th, 2025, the Convening Notice for the Extraordinary and Ordinary General Meetings of Shareholders (EGSM & OGSM) scheduled for March 18 /19, 2025 was published. The main points subject to MedLife shareholders' approval were:

- Extension of the credit limit by an additional amount of up to EUR 50 million, with the possibility of adding an additional "Accordion Facility" of up to EUR 25 million.
- The shareholders registered in the shareholders' register kept by Depozitarul Central S.A., at the end of March 6, 2025, established as the Reference Date for the EGSM and OGSM, have the right to vote in the GSM.
- On 25 March 2025, the Group has signed for the increase in facility of the syndicated loan contract, which will be used for possible new acquisition opportunities on the market as well as organic development projects.

### Routine Med acquisition

In October 2024, MedLife announced the acquisition of a 60% majority stake in the Routine Med Group from Tulcea. The Routine Med Group owns a healthcare facility equipped with an operating room, a unit with day and continuous hospitalization and an outpatient unit, and offers over 20 medical and surgical specialties, including dentistry and optical services. The hospital and outpatient services are complemented by laboratory and medical imaging services. According to company representatives, Routine Med's revenue in 2023 exceeded RON 15 million. Through this acquisition, MedLife expands its national footprint in the southeastern region of Romania. Control is gained in January 2025.

### All Clinic acquisition

In March 2025, MedLife announced the acquisition of a majority stake in All Clinic, a private healthcare provider in the Republic of Moldova. Established in 1999, All Clinic operates three multidisciplinary clinics under contract with the National Health Insurance House of Moldova. These clinics offer outpatient services across 20 medical specialties, including family medicine, ENT, pediatrics, gastroenterology, cardiology, neurology, and gynecology. In the previous year, All Clinic reported a turnover of EUR 800,000 with a double-digit EBITDA margin. This strategic move marks MedLife's second international expansion, following its 2019 acquisition of a majority stake in Hungary's Rózsakert Medical Center and reinforces its position as a private healthcare operator in the region.

*These financial statements, comprising the consolidated statement of financial position, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows and notes, were approved on March 28, 2025.*

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**Mihail Marcu,**  
CEO

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**Alina Irinoiu,**  
CFO



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

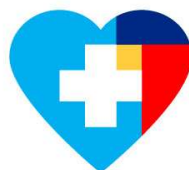
We confirm that, to the best of our knowledge, the Audited Annual Consolidated Financial Statements of MedLife Group for the 12-month period ended December 31, 2024, which were prepared in accordance with the International Financial Reporting Standards as endorsed by the European Union, give a true and fair view of the consolidated financial position of the Group as at December 31, 2024, 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



SISTEMUL MEDICAL  
**MedLife**

**MED LIFE S.A.**

AUDITED SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31<sup>st</sup>, 2024

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:** J1996003709402  
**EUID:** ROONRC.J1996003709402  
**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, 2024</b>	<b>December 31, 2023</b>
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Intangible assets	5	22,636,493	19,166,955
Property, plant and equipment	5	374,993,545	356,486,820
Right-of-use asset	13, 14	48,844,012	52,406,445
Investment in subsidiaries	4.1	507,838,848	488,124,810
Other financial assets	4.2	16,932,943	15,825,680
<b>Total Non-Current Assets</b>		<b>971,245,841</b>	<b>932,010,711</b>
<b>Current Assets</b>			
Inventories	6	15,320,875	14,382,019
Trade Receivables	7.1	97,162,994	87,202,024
Loans granted to related parties	23	190,295,292	161,747,816
Other assets	7.2	25,135,616	27,118,812
Cash and cash equivalents	8	15,335,770	10,201,516
Prepayments	9	3,422,223	1,228,014
<b>Total Current Assets</b>		<b>346,672,770</b>	<b>301,880,201</b>
<b>TOTAL ASSETS</b>		<b>1,317,918,611</b>	<b>1,233,890,912</b>
<b>LIABILITIES &amp; SHAREHOLDER'S EQUITY</b>			
<b>Non-Current Liabilities</b>			
Lease liability	13, 14	27,066,810	30,921,580
Interest-bearing loans and borrowings	14	582,827,132	593,857,396
Deferred tax liability	24	16,292,837	16,905,872
<b>Total Non-Current Liabilities</b>		<b>626,186,779</b>	<b>641,684,848</b>
<b>Current Liabilities</b>			
Trade and other payables	10	207,442,240	160,343,456
Overdraft	14	9,948,200	9,949,200
Current portion of lease liability	13	24,096,539	24,607,775
Current portion of interest-bearing loans and borrowings	14	58,861,845	45,140,930
Loans received from related parties	23	18,351,571	10,538,675
Current tax liabilities	24	2,256,090	97,549
Provisions	12	4,769,204	2,790,424
Other liabilities	11	20,348,388	14,497,795
<b>Total Current Liabilities</b>		<b>346,074,077</b>	<b>267,965,804</b>
<b>TOTAL LIABILITIES</b>		<b>972,260,856</b>	<b>909,650,652</b>
<b>SHAREHOLDER'S EQUITY</b>			
Share capital and Share premium	15	132,562,337	132,562,337
Treasury shares	15	(1,760,729)	(681,894)
Reserves	16	142,816,514	141,691,848
Retained earnings		72,039,633	50,667,968
<b>TOTAL EQUITY</b>		<b>345,657,755</b>	<b>324,240,259</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>1,317,918,611</b>	<b>1,233,890,911</b>

**Mihail Marcu,**  
CEO

**Alina Irinoiu,**  
CFO

**MED LIFE S.A.**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**  
*(all amounts are expressed in RON, unless otherwise specified)*



		<b>12 months ended December 31,</b>	
	<b>Note</b>	<b>2024</b>	<b>2023</b>
Revenue from contracts with customers	17	716,937,391	636,435,030
Other operating income	18.1	839,144	8,166,567
Dividend income	18.2	26,421,834	24,503,878
<b>Operating Income</b>		<b>744,198,369</b>	<b>669,105,475</b>
Consumable materials and repair materials		(95,328,405)	(88,422,209)
Third party expenses	19	(259,284,776)	(236,076,062)
Salaries and related expenses	21	(203,211,206)	(184,464,871)
Social contributions	21	(7,860,000)	(7,097,321)
Depreciation and amortization	5, 13	(67,686,546)	(62,185,124)
Impairment losses and gains (including reversals of impairment losses)	7	(3,132,852)	(949,607)
Impairment of fixed assets		(377,870)	-
Other operating expenses	20	(44,722,691)	(44,352,874)
<b>Operating expenses</b>		<b>(681,604,346)</b>	<b>(623,548,068)</b>
<b>Operating Profit</b>		<b>62,594,023</b>	<b>45,557,407</b>
Finance income	22	13,005,328	12,904,228
Finance cost	22	(45,812,946)	(39,774,586)
Other financial expenses	22	(405,508)	(4,100,145)
<b>Financial result</b>		<b>(33,213,126)</b>	<b>(30,970,503)</b>
<b>Profit Before Tax</b>		<b>29,380,897</b>	<b>14,586,903</b>
Income tax credit/(expense)	24	(6,884,566)	2,146,900
<b>Profit After Tax</b>		<b>22,496,331</b>	<b>16,733,803</b>
<b>Other comprehensive income items that will not be reclassified to profit or loss</b>			
Revaluation of land and buildings	16	-	-
Deferred tax on other comprehensive income components	24	-	-
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>		<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>22,496,331</b>	<b>16,733,803</b>

**Mihail Marcu,**  
CEO

**Alina Irinoiu,**  
CFO

**MED LIFE S.A.**  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(all amounts are expressed in RON, unless otherwise specified)



		<b>12 months ended December 31,</b>	
	<b>Note</b>	<b>2024</b>	<b>2023</b>
<b>Profit before tax</b>		<b>21,883,297</b>	<b>14,586,903</b>
<b>Adjustments for</b>			
Depreciation and amortization	5, 13	67,686,546	62,185,124
Interest expense	22	45,812,946	39,774,586
Dividends	18.2	(26,421,834)	(24,503,878)
Net Gain on disposal of business and investments	18.1	112,406	6,193,794
Allowance for expected credit losses and receivables written-off	7	3,132,852	949,607
Reverse of provision for other current assets		-	(201,679)
Provisions for liabilities and charges	12	1,978,780	(689,895)
Other non-monetary gains	18	(4,946,786)	(4,909,682)
Unrealised exchange loss	22	411,846	4,100,145
Interest income	22	(13,005,328)	(12,904,228)
<b>Operating cash flow before working capital changes</b>		<b>96,644,724</b>	<b>84,580,797</b>
(Increase) in accounts receivable		19,133,553	(24,389,508)
(Increase) in inventories		(938,856)	(1,666,743)
Decrease in prepayments		(2,194,209)	1,446,918
Decrease in accounts payable		15,853,442	14,104,928
<b>Cash generated from working capital changes</b>		<b>31,853,930</b>	<b>(10,504,405)</b>
<b>Cash generated from operations</b>		<b>128,498,655</b>	<b>74,076,393</b>
Income tax paid	24	(5,339,059)	(883,444)
Dividends received from subsidiaries	18.2	1,399,080	23,784,034
Interest received		-	585,939
Interest paid	14	(39,523,222)	(30,796,601)
<b>Net cash from operating activities</b>		<b>85,035,454</b>	<b>66,766,320</b>
Purchase of investments	4	(3,312,600)	(84,701,318)
Purchase of intangible assets	5	(5,766,378)	(5,116,781)
Purchase of property, plant and equipment	5	(41,162,881)	(41,209,359)
Proceeds from the transfer of business under common control (sale of Stomatology Division)	7.2	1,000,000	741,285
Loans granted to intercompany	23	(12,008,484)	(298,922)
<b>Net cash used in investing activities</b>		<b>(61,250,343)</b>	<b>(130,585,095)</b>
Payment of loans	14	(46,645,983)	(31,952,047)
Lease payments (IFRS 16)	14	(29,573,610)	(28,814,599)
Proceeds from loans	14	50,567,427	123,249,867
Payments for purchase of treasury shares	15	(1,078,835)	(488,718)
Increase/ (Decrease) from loans obtained from Group Companies	23	8,080,144	(3,115,644)
<b>Net cash from/(used in) financing activities</b>		<b>(18,650,857)</b>	<b>58,878,859</b>
<b>Net change in cash and cash equivalents</b>		<b>5,134,254</b>	<b>(4,939,915)</b>
Cash and cash equivalents beginning of the period	8	10,201,516	15,141,431
<b>Cash and cash equivalents end of the period</b>		<b>15,335,770</b>	<b>10,201,516</b>

**Mihail Marcu,**  
CEO

**Alina Irinoiu,**  
CFO

**MED LIFE S.A.**  
 STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2024  
*(all amounts are expressed in RON, unless otherwise specified)*



	Share Capital	Treasury shares	Share premium	Legal reserves and other reserves	Revaluation Reserve	Accumulated Results	Total Equity
<b>Balance at December 31, 2023</b>	<b>132,870,492</b>	<b>(681,894)</b>	<b>(308,155)</b>	<b>35,227,339</b>	<b>106,464,509</b>	<b>50,667,969</b>	<b>324,240,260</b>
Profit of the year	-	-	-	-	-	22,496,330	<b>22,496,330</b>
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,496,330</b>	<b>22,496,330</b>
Recognition of other reserves for fiscal purposes (legal reserves) (Note 16)	-	-	-	1,124,666	-	(1,124,666)	-
Increase from own shares acquisition (Note 15)	-	(1,078,835)	-	-	-	-	<b>(1,078,835)</b>
<b>Balance as at December 31, 2024</b>	<b>132,870,492</b>	<b>(1,760,729)</b>	<b>(308,155)</b>	<b>36,352,005</b>	<b>106,464,509</b>	<b>72,039,633</b>	<b>345,657,755</b>

Please refer to Note 16 Reserves for explained movement during 2024.

**Mihail Marcu,**  
CEO

**Alina Irinoiu,**  
CFO

**MED LIFE S.A.**  
**STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2024**  
*(all amounts are expressed in RON, unless otherwise specified)*



	Share Capital	Treasury shares	Share premium	Legal reserves and other reserves	Revaluation Reserve	Accumulated Results	Total Equity
<b>Balance 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 of the year	-	-	-	-	-	16,733,803	<b>16,733,803</b>
Revaluation of land and buildings (Note 16)	-	-	-	-	-	-	-
Deferred tax related to other comprehensive income (Note 24)	-	-	-	-	-	-	-
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,733,803</b>	<b>16,733,803</b>
Recognition of other reserves for fiscal purposes (legal reserves) (Note 16)	-	-	-	688,742	-	(688,742)	-
Increase of social capital through the issue of shares (Note 15)	99,652,869	-	(50,594,933)	-	-	(49,057,936)	-
Increase from own shares acquisition (Note 15)	-	(488,718)	-	-	-	-	<b>(488,718)</b>
Net release of own shares used for investing in subsidiaries (Note 15)	-	3,026,045	-	-	-	-	<b>3,026,045</b>
Increase in premiums due to difference between fair value and cost of own shares when the exchange was made (Note 15)	-	-	(308,155)	-	-	-	<b>(308,155)</b>
<b>Balance as at December 31, 2023</b>	<b>132,870,492</b>	<b>(681,894)</b>	<b>(308,155)</b>	<b>35,227,339</b>	<b>106,464,509</b>	<b>50,667,969</b>	<b>324,240,260</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 Romanian laws and regulations, with registered office in 365 Calea Grivitei, Bucharest, having a share capital of RON 132,870,492, and a nominal share value of RON 0.25. 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, Targu Mures and others.

Med Life SA is the parent company of the MedLife Group ("MedLife Group" or the "Group"). MedLife Group is the leading health care services providers in Romania in terms of sales, having a significant market share at national level.

## 2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

### 2.1 Changes in accounting policy and disclosures

The accounting policies adopted are consistent with those of the previous financial year except for the following IFRS and amendments to IFRS which have been adopted by the Company as of 1 January 2024:

- IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (Amendments)
- IFRS 16 Leases: Lease Liability in a Sale and Leaseback (amendments)
- IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments Disclosure - Supplier Finance Arrangements (Amendments)

The newly adopted IFRS and amendments to IFRS did not have a material impact on the Company's accounting policies.

- **IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (Amendments)**

The amendments are effective for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted. The objective of the amendments is to clarify the principles in IAS 1 for the classification of liabilities as either current or non-current. The amendments clarify the meaning of a right to defer settlement, the requirement for this right to exist at the end of the reporting period, that management intent does not affect current or non-current classification, that options by the counterparty that could result in settlement by the transfer of the entity's own equity instruments do not affect current or non-current classification. Also, the amendments specify that only covenants with which an entity must comply on or before the reporting date will affect a liability's classification. Additional disclosures are also required for non-current liabilities arising from loan arrangements that are subject to covenants to be complied with within twelve months after the reporting period.

The amendment does not have a material impact on the Company's financial statements.

- **IFRS 16 Leases: Lease Liability in a Sale and Leaseback (amendments)**

The amendments are effective for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted. The amendments are intended to improve the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction in IFRS 16, while it does not change the accounting for leases unrelated to sale and leaseback transactions. In particular, the seller-lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use it retains. Applying these requirements does not prevent the seller-lessee from recognising, in profit or loss, any gain or loss relating to the partial or full termination of a lease. A seller-lessee applies the amendment retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, being the beginning of the annual reporting period in which an entity first applied IFRS 16.

The amendment is not applicable for the Company as it does not have transactions of sale and leaseback.

- **IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments Disclosure - Supplier Finance Arrangements (Amendments)**

The amendments are effective for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted. The amendments supplement requirements already in IFRS and require an entity to disclose the terms and conditions of supplier finance arrangements. Additionally, entities are required to disclose at the beginning and end of reporting period the carrying amounts of supplier finance arrangement financial liabilities and the line items in which those liabilities are presented as well as the carrying amounts of financial liabilities and line items, for which the finance providers have already settled the corresponding trade payables. Entities should also disclose the type and effect of non-cash changes in the carrying amounts of supplier finance arrangement financial liabilities, which prevent the carrying amounts of the financial liabilities from being comparable. Furthermore, the amendments require an entity to disclose at the beginning and end of the reporting period the range of payment due dates for financial liabilities owed to the finance providers and for comparable trade payables that are not part of those arrangements.

Management have taken into account the IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments Disclosure - Supplier Finance Arrangements (Amendments) when preparing the financial statements of current year. The amendments do not have a material impact on preparation of the Statement of Cash Flows.

## 2.2 Standards issued but not yet effective and not early adopted

- **IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (Amendments)**

The amendments are effective for annual reporting periods beginning on or after January 1, 2025, with earlier application permitted. The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. A currency is considered to be exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. If a currency is not exchangeable into another currency, an entity is required to estimate the spot exchange rate at the measurement date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments note that an entity can use an observable exchange rate without adjustment or another estimation technique.

The amendments have not yet been endorsed by the European Union, however management anticipates that there will not be a material impact, considering the company mainly uses in majority of transactions, the national currency RON and reports in this certain currency as well.

## 2.3 Standards that are not yet effective and they have not yet been endorsed by the European Union

- **Amendment in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. In December 2015 the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting.

The amendments have not yet been endorsed by the European Union, however the Company anticipates that the adoption of these new standards and amendments to the existing standards will have no material impact on the financial statements of the Company in the period of initial application.

- **IFRS 18 Presentation and Disclosures in Financial Statements**

The amendment is effective as of 1 January 2027 and is issued by IASB on 9 April 2024 will replace IAS 1 Presentation of Financial Statements. Standard introduces three sets of new requirements to improve companies' reporting of financial performance and give investors a better basis for analysing and comparing companies. The main changes in the new standard compared with IAS 1 comprise: (a) The introduction of categories (operating, investing, financing, income tax and discontinued operations) and defined subtotals in the statement of profit or loss; (b) the introduction of requirements to improve aggregation and disaggregation; (c) The introduction of disclosures on Management-defined Performance Measures (MPMs) in the notes to the financial statements.

The amendments have not yet been endorsed by the European Union, however the Company is currently assessing the potential impact of the adoption of these new standards and amendments to the existing standards on the financial statements of the Company in the period of initial application.

- **IFRS 19 Subsidiaries without Public Accountability: Disclosures**

The standard is issued by IASB on 9 May 2024 and is effective starting 1 January 2027. Standard permits a subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements. IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

The standard has not yet been endorsed by the European Union, however the Company anticipates that the adoption of these new standards and amendments to the existing standards will have no material impact on the financial statements of the Company in the period of initial application.

- **Amendments to IFRS 9 and IFRS 7 - Amendments to the Classification and Measurement of Financial Instruments**

The amendment is effective as of 1 January 2026 and is issued by IASB on 30 May 2024. Amendments clarify the classification of financial assets with environmental, social and corporate governance (ESG) and similar features. Amendments also clarify the date on which a financial asset or financial liability is derecognised and introduce additional disclosure requirements regarding investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features.

The amendments have not yet been endorsed by the European Union, however the Company anticipates that the adoption of these new standards and amendments to the existing standards will have no material impact on the financial statements of the Company in the period of initial application.

- **Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity**

The amendment is effective as of 1 January 2026 and is issued by IASB on 18 December 2024. The own-use requirements in IFRS 9 are amended to include the factors an entity is required to consider when applying IFRS 9:2.4 to contracts to buy and take delivery of renewable electricity for which the source of production of the electricity is nature-dependent. The hedge accounting requirements in IFRS 9 are amended to permit an entity using a contract for nature-dependent renewable electricity with specified characteristics as a hedging instrument to designate a variable volume of forecast electricity transactions as the hedged item if specified criteria are met and to measure the hedged item using the same volume assumptions as those used for the hedging instrument. Amendments to IFRS 7 and IFRS 19 to introduce disclosure requirements about contracts for nature-dependent electricity with specified characteristics.

The amendments have not yet been endorsed by the European Union, however the Company anticipates that the adoption of these new standards and amendments to the existing standards will have no material impact on the financial statements of the Company in the period of initial application.

- **IFRS 14 – Regulatory Deferral Accounts**

The standard is effective as of 1 January 2016 and was issued by the IASB on 30 January 2014. IFRS 14 permits first-time adopters of IFRS to continue recognizing regulatory deferral account balances in accordance with their previous GAAP upon transition to IFRS. However, it requires these balances to be presented separately in the financial statements and prohibits recognizing new regulatory deferral account balances after the transition date.

The standard does not apply to entities that have already adopted IFRS. It includes disclosure requirements to enhance transparency regarding the nature and financial effects of regulatory deferral accounts.

IFRS 14 has not been endorsed by the European Union, and the Company does not expect its adoption to have any impact on the financial statements, as the Company is not a first-time adopter of IFRS.

### **3. MATERIAL ACCOUNTING POLICIES**

The separate financial statements of the Company were prepared in accordance with the provisions of Order No. 2844/2016 for the approval of accounting regulations in accordance with International Financial Reporting Standards applicable to commercial companies whose securities are admitted to trading on a regulated market, with subsequent amendments and clarifications ("OMFP 2844/2016").

#### **3.1 Statement of compliance**

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 separate financial statements as at and for the year ended 31 December 2023, except for the adoption of new standards effective as of January 1st 2024.

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. 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.

#### **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. Moreover, the Company is on a net current assets position (defined as current assets minus current liabilities) of RON 598,693. 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.

For the purposes of assessing liquidity and going concern, the Company has modelled scenarios reflecting suitable assumptions over the next 12-month period that serve to inform the decisions the Company takes regarding future cost savings, cash generation, debt covenants and levels of investment. The Company's financial performance to date in 2025 across all revenue streams has been in line with the modelled scenarios.

As a result of the signing on 25 March 2025 of the increase in facility of the syndicated loan contract, the Company had also undrawn facilities of an amount of EUR 50m, which along with other liquidity of the Company, will be used for possible new acquisition opportunities on the market, as well as for organic projects.

All measures taken have been decided upon having in mind the Company's strategy to better position itself to all the new market changes, on the long term. As a consequence, the management focused on increasing efficiency of its operations in order to obtain better flexibility over capitalizing market opportunities.

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. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

#### **3.4.1. Judgements**

In the process of applying the Company's accounting policies, the following judgments were made, particularly with respect to the following:

##### ***Determining the lease term of contracts with renewal and termination options – Med Life as a lessee***

Med Life determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Company has lease contracts which include extension and termination options.

The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. When determining the lease term to be used for the measurement of the lease, the Company takes into account all the relevant facts and circumstances that create an economic incentive for exercising either the extension or termination option of the lease term.

For leases of buildings, cars and equipment, the following factors are normally the most relevant:

- If there are significant penalty payments to terminate (or not extend), the Company is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Company is typically reasonably certain to extend (or not terminate).
- Otherwise, the Company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.
- If the Company considers that some of the lease agreement shall be terminated earlier, then the assumption of the tenor shall be reassessed accordingly in order to fairly represent the management's view of the leased asset's impact to the financial statements.
- In case of lease term in relation to indefinite lease contracts the assumption applied was that the lease term will be similar to other contracts signed with the same provider or based on the relevant period beyond which the exercise of any option becomes uncertain.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee. Please see note 13.

##### ***Capitalisation of major inspections or components replacement (including spare parts)***

The Company exercises judgement in deciding whether or not there are items that should be capitalised as items of property, plant and equipment. In case of major inspections, the cost can be recognised in the carrying amount of the item of property, plant and equipment, as a replacement, if the recognition criteria are satisfied. Individual components of a significant amount in the total value of an equipment may be replaced, as well as spare parts which in aggregate can become of a significant value that satisfy the recognition criteria. Management performs an assessment whether the replacement increases the performance of the asset or increases its useful life and capitalises the costs incurred if the recognition criteria are met.

##### ***Cash generating units (CGUs)***

Management exercises judgement in determining the appropriate level of companying assets into CGUs, based on the fact that they share significant common infrastructure.

#### **3.4.2. Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

### **Revaluation of Land and Buildings**

The Company accounts for land and building using the revaluation model based on market comparative valuations performed by certified ANEVAR professional as per revaluation reports concluded as at 31 December 2022. The valuations conform to International Valuation Standards. Please refer to Note 5 for further information.

IAS 16 requires valuations to be performed with sufficient regularity as to ensure that the fair value does not materially differ from the carrying amount. As of 31 December 2024, considering the evolution of the market prices for real estate properties and the recent revaluation which took place at the end of 2022, management has reached to the conclusion that the carrying amount at 31 December 2024 does not materially differ from the fair value for both Land and Buildings. Part of the items related to Land and Buildings are included in the Company's cash-generating units established for the Group and annually tested for impairment as part of the goodwill impairment testing.

### **Impairment of non-financial assets**

The Company bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of six years. A long-term growth rate is calculated and applied to project future cash flows after the sixth year.

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a DCF (discounted cash flow) model. The cash flows are derived from the budget for the next six years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with definite or indefinite useful lives recognised by the Company. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in notes.

### **Allowance for expected credit losses of trade receivables**

The Company always recognises lifetime expected credit losses (ECL) for trade receivables. The expected credit losses are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

In determining adjustments for impairment of receivables, management incorporates forward-looking information, exercises professional judgement and uses estimates and assumptions. Estimation of expected credit risk losses involved forecasting future macroeconomic conditions for the next year, adjusted to the average for 2025-2026 period in terms of GDP growth. More details on the assumptions, scenarios used and the weights assigned to each scenario can be found in Note 7 dedicated to accounts receivables.

The incorporation of forward-looking elements reflects the expectations of the Company and involves the creation of scenarios, including an assessment of the probabilities of materialization of each scenario.

### **Allowance for expected credit losses of intercompany loans**

In case of loans granted to related parties and other receivables with related parties, the Company considers that at the reporting date, the credit risk has not increased significantly since initial recognition, and measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

For loans granted to related parties and trade and other receivables, the loss in allowance determined as of 31 December 2024 was not material and no allowance for expected credit loss in relation to loans granted to related parties was recorded.

### **Provision for litigation**

Provisions for litigation are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation (legal or constructive) arising from past events, and a reliable estimate can be made of the obligation.

Management assesses ongoing litigation cases based on the information available at the reporting date, including legal advice and historical outcomes. The provision for litigation is estimated by evaluating the likelihood of unfavourable outcomes and the associated financial impact. Due to the inherent uncertainty in litigation, actual outcomes may differ from the estimates made, potentially resulting in adjustments to the provision in future reporting periods.

Please see note 12 for further details.

## **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 31 December 2024 were RON 4.9741 for EUR 1 (31 December 2023: RON 4.9746 for EUR 1), respectively RON 1.2106 for HUF 100 (31 December 2023: RON 1.2995 for 100 HUF).

The average exchange rates for the period of 12 months 2024 were RON 4.9746 for EUR 1 (12 months 2023: RON 4.9465 for EUR 1), respectively RON 1.2586 for HUF 100 (12 months 2023: RON 1.2960 for HUF 100).



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**Translation of foreign currencies**

Transactions in foreign currencies are initially recorded at the respective functional currency exchange rate valid at the time of the transaction. Foreign currency monetary assets and liabilities are translated 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.

**3.6 Property, plant and equipment****Property, plant and equipment under the revaluation model**

Land and buildings held for use in the supply of services, or for administrative purposes, are stated in the statement of financial position at their fair value, being the revalued amount at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

The value of land and buildings owned presented in these financial statements is based on the valuation reports which were prepared as of December 31, 2022 by independent valutors certified by ANEVAR. The following steps were taken to estimate the fair value of the assets: analysis of assets subject to valuation; the evaluation approaches and the valuation methods applied were based on the category of assets analysed, their location, their characteristics, specific market information; application of appropriate valuation methods for each asset category (i.e. land and buildings) subject to evaluation and estimation of the fair value of the assets analysed at the valuation date, 31 December 2022. The land is not depreciated.

Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

Accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

A revaluation surplus is recorded in OCI and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation surplus.

The Company transfers the revaluation surplus included in equity in respect of an item of property, plant and equipment directly to retained earnings when the asset is derecognised (i.e., retired or disposed of).

**Property, plant and equipment using the cost model**

Leasehold improvements fall in this category and are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is recognised on a straight-line basis over the estimated useful life. The estimated useful life for this type of asset is usually over the life of the lease, considering any potential contract prolongations.

Installations and equipment are also stated at cost, less accumulated depreciation and accumulated impairment losses, if any.

Assets under construction are recorded at cost, less accumulated impairment losses and depreciated once they become available for use.

An item of property, plant and equipment is initially recorded at cost. Cost includes all costs necessary to bring the asset to working condition for its intended use. This includes not only its original purchase price, but also costs of site preparation, delivery and handling, installation, related professional fees for architects and engineers, and the estimated cost of dismantling and removing the asset and restoring the site, if the case.

Proceeds from selling items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management are not deducted from the cost of the item of property, plant and equipment, but recognised in profit or loss.

An entity evaluates under the recognition principle all its property, plant and equipment costs at the time they are incurred. These costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, or replace part of it.

A condition of continuing to operate an item of property, plant and equipment may be performing regular major inspections for faults regardless of whether parts of the item are replaced.

Costs with capital repairs are included in the carrying amount of the asset when it is probable that future economic benefits above the initially evaluated standard of performance of the existing asset will be transferred to the Company. Capital repairs are depreciated over the remaining useful period of the respective asset.

When each major inspection is performed, its cost is recognised in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any remaining carrying amount of the cost of the previous inspection (as distinct from physical parts) is derecognised. This occurs regardless of whether the cost of the previous inspection was identified in the transaction in which the item was acquired or constructed. If necessary, the estimated cost of a future similar inspection may be used as an indication of what the cost of the existing inspection component was when the item was acquired or constructed.

Expenses for repairs and maintenance are recognized in the profit or loss account when incurred.

In case of replacements, cost includes the cost of replacing part of the plant or equipment when that cost meets the recognition criteria. If an item of property, plant and equipment consists of several components with different estimated useful lives, the individual significant components are depreciated over their individual useful lives.

Items such as spare parts, stand-by equipment and servicing equipment are recognised as property, plant and equipment when they meet the definition, considering the aggregation and materiality criteria. Otherwise, such items are classified as inventory.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. Estimated useful lives, residual values and depreciation method are reviewed at the end of each year, and the effects of changes in estimates are recorded prospectively.

The following useful lives are used in the calculation of depreciation:

	<b>Years</b>
Buildings	10 – 50 years
Leasehold improvements	Term of the expected lease term or useful life if shorter
Plant and equipment	3 – 15 years
Fixtures and fittings	3 – 15 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

### **3.7 Intangible assets**

Intangible assets acquired separately are measured at initial recognition at cost. Following initial recognition, intangible assets are stated at cost less accumulated amortization and accumulated impairment losses. Amortization is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Company's intangible assets are represented by software licenses, concessions, patents and other intangible assets that are amortized on a straight-line basis over a period of 3 years. Please see Note 5.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognized in profit or loss when the asset is derecognized.

#### **Impairment of non-financial assets**

At the end of each reporting period, the Company reviews whether there is an indication that an asset may be impaired.

If any such indication exists, the recoverable amount of the asset is estimated.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets that are not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. The Company bases its impairment calculation on most recent budgets and forecast calculations. These budgets and forecast calculations generally cover a period of six years. A long-term growth rate is calculated and applied to project future cash flows after the sixth year.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the asset is previously revalued with the revaluation taken to OCI, in which case the impairment loss is recognized in OCI up to the amount of any previous revaluation.



An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the assets or CGU's recoverable amount. Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

### **3.8 Inventories**

Inventories are stated at the lower of cost and net realizable value. Cost of inventories comprises of all the costs incurred in bringing the inventories to their present location and condition. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. The Company applies FIFO as a costing method.

### **3.9 Cash and cash equivalents**

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand, cash held at banks with maturities of three months or less.

### **3.10 Government grants**

Government grants are assistance by government in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the entity. They exclude those forms of government assistance which cannot reasonably have a value placed upon them and transactions with government which cannot be distinguished from the normal trading transactions of the entity.

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

The Company has chosen to present grants related to income to be deducted in reporting the related expense.

The Company has elected to present government grants relating to the purchase of property, plant and equipment in the statement of financial position as deferred income, which is recognised in profit or loss on a systematic and rational basis over the useful life of the asset.

#### **3.10.1. Investments in subsidiaries**

##### **Investments in subsidiaries**

In the separate financial statements investments in subsidiaries are stated at historical cost less accumulated impairment losses.

##### **Dividends from subsidiaries**

Dividends on equity instruments are recognized in profit or loss when the Company's right to receive the dividends is established. Income from dividends with subsidiaries are presented in Statement of Cash Flows under operating activities.

#### **3.10.2. Transfer of business in a transfer between entities under common control**

In case of transfer of business between entities under common control, the transactions is recognised at the consideration agreed between the parties, being the amount of cash paid or fair value of shares issued.

### **3.11 Financial instruments – initial recognition and subsequent measurement**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### **3.11.1 Financial assets**

##### **Initial recognition and classification**

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

This classification on initial recognition depends on the Company's business model with regard to the management of financial assets and on the financial asset's contractual cash flows characteristics.

With the exception of trade receivables that do not contain a significant financing component, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price as disclosed in note 3.22.

Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets, as appropriate, on initial recognition.

A financial asset is measured at amortized cost if both of the following conditions are met:

- the financial asset is held using a business model that aims to hold financial assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely repayments of principal and interest on the principal outstanding.

The Company has only recognised and subsequently measured financial assets at amortised cost.

#### **Subsequent measurement**

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

#### Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. For financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset. Interest income is recognised in profit or loss.

The Company's financial assets at amortized cost include the following: trade receivables, other receivables, other financial assets, cash and cash equivalents.

#### **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The contractual rights to receive cash flows from the asset have expired or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

#### **Impairment**

The Company recognises an allowance for expected credit losses (ECLs) for all financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows, when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written

off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

The Company recognises an impairment gain or loss in profit or loss for all trade receivables with a corresponding adjustment to their carrying amount through a loss allowance account.

### **3.11.2 Equity instruments and financial liabilities**

#### **Classification as equity or debt**

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

#### **a) Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

#### **b) Financial liabilities**

##### **Initial recognition and classification**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

The Company's financial liabilities include, loans and borrowings including bank overdrafts, other long-term debt.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. A contingent consideration classified as a financial liability is subsequently remeasured to fair value with the changes in fair value recognised in profit or loss.

##### **Subsequent measurement**

For purposes of subsequent measurement, financial liabilities are classified as financial liabilities at amortised cost. The Company has not designated any financial liability as at fair value through profit or loss.

This is the category most relevant to the Company and it includes loans and borrowings. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss. This category generally applies to interest-bearing loans and borrowings.

##### **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

##### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### **3.12 Borrowing costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a

qualifying asset is capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings, pending their expenditure on qualifying assets, is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

### **3.13 Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

#### **Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

#### **Deferred tax**

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

#### **Current and deferred tax for the period**

Current and deferred tax are recognized as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognized directly in equity. It can also be recognized as other comprehensive income if the underlying transaction or event is recognized in OCI.

### **3.14 Share capital**

Ordinary shares are classified as equity. Med Life presents the amount of dividends recognised as distributions to owners during the period in the statement of changes in equity, and the related amount of dividends per share in the notes to the financial statements.

### **3.15 Treasury Shares**

Own equity instruments that are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in share premium.

### **3.16 Share premiums**

Share premiums are own funds created as a result of the difference between the issue value of the shares and the nominal value of the shares. The Company recorded share premiums as a result of the issue of shares.

### **3.17 Revaluation reserve and legal reserve**

Revaluation reserve

The increases in the fair value of land and buildings are recorded against revaluation reserves. Any decreases in the fair value of land and buildings are first deducted from the revaluation reserves and then the difference is recorded through profit and loss accounts. The revaluation is performed with sufficient regularity as to ensure that the Company presents

land and buildings at fair value in the financial statements. The revaluation reserve is transferred to retained earnings upon disposal of assets.

#### Legal reserve

In accordance with Romanian regulations, the legal reserve represents a statutory reserve required to be set aside from the Company's result before taxes. The legal reserve is established to cover potential future liabilities and to strengthen the financial position of the Company.

The legal reserve is calculated as a specified percentage of result before taxes, typically 5%, until the reserve reaches 20% of a company's share capital. The legal reserve can only be used to cover losses incurred by the company or to increase share capital, subject to the approval of the company's shareholders. It cannot be distributed as dividends or used for any other purpose unless specified in the national regulations.

### 3.18 Provisions for risks and charges

Provisions are recognized when the Company has a legal or constructive obligation, as a result of a past event, it is probable that there will be a future outflow of resources in order to settle this obligation and a reliable estimate can be made of the amount of the obligation. Provisions for risks and charges are assessed at the end of each period and adjusted in order to present management's best estimate.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**Liabilities provided for legal matters** require judgements regarding projected outcomes and ranges of losses based on historical experience and recommendations of legal counsel. Litigation is however unpredictable and actual costs incurred could differ from those estimated at the reporting date.

**Liabilities for unused holidays** refer to the entitlement for employees to accumulate vested leave benefits. The Company recognises a liability for compensated absences as it has an obligation to compensate employees for future absences attributable to employees' services already rendered, the obligation relates to rights that accumulate from period to period, it is probable that the amount will be paid and a reliable estimate can be made of the amount of the obligation.

A vesting obligation is where employees are entitled to a cash payment for unused leave entitled upon leaving the entity. The amount of the obligation will therefore be equal to the number of unused leave multiplied by the relevant employee's gross salary at the reporting date.

The obligation is initially recognised during the vesting period based on the best available estimate of the accumulated leave expected to vest. The estimate is revised each period end if subsequent information indicates that the accumulated leave expected to vest differs from previous estimates. On vesting date, the Company revises its estimate to equal the accumulated leave that ultimately vested.

### 3.19 Revenue from contracts with customers recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Revenue is recognised over time where (i) there is a continuous transfer of control to the customer in the case of goods provided or the consumption of the benefits for the services provided takes place over time; or (ii) there is no alternative use for any asset created and there is an enforceable right to payment for performance completed to date. Other revenue contracts are recognised at a point in time when control of the goods transfers to the customer, or in the case of services provided, when the customer receives and consumes the benefits provided.

The Company provides health care medical services to corporate and retail customers, in which one performance obligation is a promise to transfer distinct services to the beneficiary.

#### **Med Life's core activities**

The Company's core activities are conducted through four business lines, providing a well-balanced business portfolio that covers all key segments of the private medical services market. Disaggregation of revenue from contracts with customers by business line comprises the following major categories: clinics, hospitals, laboratories and corporate.

The Company's business and revenue model focuses on the spending power of corporations and private individuals on medical services, while the State's contribution through the National Health Insurance House ("NHIH") represents a complement, not the core revenue of Med Life's activities. However, the National Health Insurance House is considered to be one major customer that goes across multiple sectors such as: clinics, hospitals and laboratories, and from which the Company receives the consideration based on reaching pre-established ceilings, for the medical services provided to the State's insured patients, which are the end users of the healthcare medical services. The revenue in relation with NHIH is recognised at the end of the month, when the Company has an enforceable right to receive payment for performance completed up to date, as the end user receives and consumes the benefits provided by the entity's performance as the entity performs.

### Clinics

The core of the Company's operations is the network of ambulatory clinics. The business line comprises a network of facilities, which offer a wide range of outpatient services covering a broad range of medical specialties. The Company's diagnostic imaging services provided to clients also form part of this business line. The Company's clinics provide a wide range of services delivered mainly in two formats:

- **Hyper clinics**, a format pioneered by Med Life in Romania, consisting of large facilities with at least 20 medical offices and surface areas in excess of 1,000 sqm. It is a one-stop-shop for clinical examinations and imaging. This format is designed for larger urban areas, with a population over 175,000. Hyper clinics would usually include a broad range of imaging services on site including radiology, bone density – DEXA, CT, MRI, 2D-4D ultrasounds and Mammography; in the case of new openings, such services may be included in the hyper clinics' offering gradually. Hyper clinic locations also host the services of other business lines, such as sampling points for laboratories.
- **Clinics**, offering a range of treatments from general practitioner services to specialists, are aimed at servicing the core needs of the Company's HPP patients and FFS clients. The Med Life's clinics typically have between 5 and 12 medical offices, although smaller satellite clinics are in operation to address specific market situations. Clinics are designed for smaller cities or to serve specific concentrations of patients. Clinics, with limited capacity and generally limited imaging services, act as feeder networks for the more specialized services located in the hyper clinics.

The revenues are recognised at a point in time when the customer receives and consumes the benefits provided.

### Laboratories

The Laboratories business line provides the following range of services: biochemistry, pathological anatomy (cytology and histology), molecular biology and genetics, haematology, immunology, microbiology and toxicology. Sampling points are locations where the Company collects blood and other samples from patients. The Laboratories business line sources the bulk of its revenue from FFS clients, and the revenue is recognised at a point in time, when the performance obligation is satisfied.

### Hospitals

Hospital services provided to patients represent a wide range of services which comprise medical services, accommodation, meals, use of equipment, pharmacy stock and nursing services, with multiple performance obligations being provided.

Revenue is recorded during the period in which the hospital service is provided and is based on the amounts due from patients. Fees are calculated and billed based on various tariff agreements.

The Hospitals business line derives its revenue predominantly from FFS patients. Treatment of State insured patients for the NHIH, generally relates to maternity, gynecology, cardiology and oncology. The revenues are recognised at a point in time, when the consumption of the benefits for the services provided is accomplished.

The Company does not expect to have any contracts where the period between the transfer of the promised service to the patient and the payment by the patient exceeds one year. Consequently, the Company does not adjust any of the transaction prices for time value of money.

### Corporate

The Corporate business line offers HPPs (health prevention packages) on a subscription basis, generally to corporate clients, as part of the benefit packages for their employees. These programs, which focus on prevention, such as regular check-ups and access to diagnostic services, complement the legally required occupational health services that corporate client's contract from the Company as the Standard HPP.

The HPPs offered by the Company consist of the following:

- Mandatory occupational health services, which mainly include the provision of annual employee check-ups and more specific services depending on the client's industry. Many companies begin by purchasing occupational health services under the "Standard" HPP and then add benefits under broader HPPs from the same provider for certain or all of their employees, providing an upselling opportunity for the occupational health provider.
- More general, "prevention oriented" health plans, providing expanded access to general practitioners and certain specialists in the Company's clinics and as well as specified laboratory tests and diagnostic imaging for higher end packages. The specific services vary depending on the type of package.

The revenue in relation with corporate customers is recognized over time, on a stand-ready approach. On a contractual basis, the Company has a stand-ready obligation to corporate clients to provide healthcare services on demand and the customer benefits evenly throughout the contract period. As a result, the Company uses a straight-line measure of progress over the period during which the customer has the right to such services.

### Principal versus agent considerations

The Company has concluded that it is the principal in all its revenue arrangements since it is the primary obligor in all the revenue arrangements and have pricing latitude.

### Contract assets and liabilities

A contract asset (accrued income) is the right to consideration in exchange for services transferred to the customer. Where the Company transfers services to a customer over time before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration to date under the contract. Contract assets are presented within trade and other receivables (Note 7) on the Company's Balance Sheet and are expected to be realized in less than one year.



A contract liability (deferred income) is the obligation to transfer services to a customer for which the Company has received consideration from the customer. Where the customer pays consideration before the Company transfers services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract. Contract liabilities are presented within trade and other payables (Note 10) on the Statement of Financial position.

Using the practical means of IFRS 15, the Company does not adjust the promised amount of consideration for the effects of a significant component of financing if it expects, at the beginning of the contract, that the period between the transfer of the promised service to the client and when the client pays for that service will be one year. less. All contracts are under one year.

Contracts are for periods of less than one year or are billed based on the services performed. As permitted by IFRS 15, the transaction price allocated to these unfulfilled contracts is not disclosed.

### **3.20 Employee benefits**

The Company, in the normal course of business, makes payments to the Romanian State on behalf of its employees for pensions, health care and unemployment cover. The cost of these payments is charged to the statement of comprehensive income in the same period as the related salary cost.

All employees of the Company are members of the Romanian State pension plan. The Company does not operate any other pension scheme.

### **Bonus schemes**

The Company recognizes a liability and an expense where a contractual obligation exists for short-term incentives. The amounts payable to employees in respect of the short-term incentive schemes are determined based on annual business performance targets.

### **3.21 Fair value**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

Certain accounting policies of the Company and information presentation criteria require determination of the fair value both for the assets and the liabilities of the Company. In determining the fair value of assets and liabilities, the Company uses as much as possible observable market values. Fair values are classified on various levels based on inputs used in valuation techniques, as follows:

- Level 1: (unadjusted) quoted prices on active markets for identical assets and liabilities
- Level 2: inputs, other than the prices included in level 1, which are observable for assets and liabilities, either directly (e.g.: prices) or indirectly (e.g.: derived from prices)
- Level 3: inputs for evaluation of assets and liabilities which are not based on observable market data.

In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. Additional information on the assumptions made in measuring fair values is included in Note 5.

### **3.22 Segment information**

The core business activity of Med Life refers to the provision of healthcare services, as a result of completion of the medical act. This process usually involves multiple stages, starting from physical examinations, laboratory tests, set-up of a diagnosis, offering treatment, supply of medical equipment, surgeries and other medical interventions, nursing care, follow-up in the recovery process.

An operating segment is a component of an entity:

- (a) that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity),
- (b) whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and
- (c) for which discrete financial information is available.

The Company has identified four core business lines, which comprise the following major categories: clinics, hospitals, laboratories and corporate. For further details on disaggregation of revenue streams, please refer to Note 3.19.

The core purpose of Med Life is to enhance the quality of life for individuals, the ultimate end users of healthcare services, therefore setting the patient as first priority in all activities performed.

According to IFRS 8, segment information on operating segments is to be presented in accordance with the internal reporting to the chief operating decision maker (management approach).



In determining Med Life's operating segments, management has primarily considered the financial information in internal reports that are reviewed and used by the Board of Directors (who together are the chief operating decision maker of the Company) in assessing performance and in determining the allocation of resources.

The Board of Directors represents the chief decision-making body, in which the strategic decisions are made for the entire Group and to which the key parameters of performance are reported.

Each reporting made to the Board of Directors includes the five business lines, represented by the four revenue streams. Managements costs are fully distributed to the operative business lines. The monthly target-to-actual and actual-to-actual comparison in the report to the Board of Directors serves to control the targets published in the Med Life's annual forecast, in particular the total revenue figure and EBITDA margin.

Given our understanding of an integrated healthcare services offering, we do not make any distinction in control by whether the services as defined in Romanian social insurance legislation are attributed to the inpatient or the outpatient sector, for example in the hospitals business line. All expenses and income which are directly or indirectly related to patients are included under the operating segments.

The characteristics of healthcare services are around physical facilities staffed by professionals in direct contact with patients, diagnosing, monitoring and treating patients. The payment for these services is either direct payment by the patient or indirect via an employer paid benefit/insurance and in much smaller degree by public health funds. In all these cases the beneficiary of the service is always the individual patient. Because of the specific nature of the source of funds that finance the provision of medical services to the end users (i.e., patients) the correct allocation of profitability for each business line is limited considering that they are complementary in servicing the patient: one would originate whereas the other might render the medical services. In this respect, the business lines could not operate on their own, proving, once again, their high interdependent nature.

The following operating segments are aggregated into one reporting segment, being the provision of healthcare services, since they exhibit similar economic characteristics: clinics, hospitals, laboratories and corporate. As a result of the same structural framework conditions, the operations of the Company with the healthcare services provided are characterised by a similar risk and rewards profile whose economic environment is largely regulated by legislation. It is thus possible for the operations to achieve similar EBITDA margins on the long term. We thus continue to have only one reportable segment that aggregates the above-mentioned operating segments.

### **3.23 IFRS 16 - Leases**

Given its large and complex operations, the Company leases a significant number of assets including buildings and land for operational activities, medical equipment and vehicles. Contractual periods differ, depending on the lease type and the leased asset, the driver being the strategic point of view the Company has into further managing its asset portfolio.

As a result of the pandemic crisis, the Company commenced the process of securing its strategic facilities under lease agreements, for longer periods of time. Accordingly, several major lease agreements have been renegotiated with focus on better commercial conditions for the Company, in terms of both pricing and better security over extension options for the lease agreements.

In this respect, the management has evaluated its options for early termination as well as the existence of the Company's single triggered decision to extend the lease term, on a case-by-case basis. In determining the lease term, all facts and circumstances that create an economic incentive to exercise an extension option, or to exercise a termination option, are considered.

The Company leases various buildings, equipment, vehicles and other assets. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor.

The Company assesses whether a contract is or contains a lease, at inception of the contract. Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company - except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. Payments associated with short-term leases and all leases of low-value assets (including small equipment such as printers, PC's and others ) are recognised on a straight-line basis as an expense in profit or loss. The Company uses the exemption in IFRS 16 for low value assets, considering the nature of the assets, their costs and their low significance to the operations of the Company. Assets and liabilities arising from a lease are initially measured on a present value basis.

Lease liabilities include the net present value of the following lease payments to be made over the lease term:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The exercise price of a purchase option if the Company is reasonably certain to exercise that option;
- Payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option;
- Amounts expected to be paid under residual value guarantees;
- Lease payments to be made over the contractual lease term, if there are extension options included.

The lease payments are discounted using the lessee's incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. To determine the incremental borrowing rate,

the Company uses recent third-party financing received by the lessee as a starting point and adjusts the rate to reflect changes in financing conditions since the third-party financing was received.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentives;
- Any initial direct costs; and
- Restoration costs.

After initial recognition, right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient.

The following useful lives on average are used in the calculation of depreciation for right-of-use assets, determined based on the lease term of the contractual agreements:

	<b><u>Years</u></b>
Buildings	6 – 10 years
Medical equipment	3 – 4 years
Vehicles	3 – 5 years

#### 4. INVESTMENT IN SUBSIDIARIES AND OTHER FINANCIAL ASSETS

##### 4.1. Cost of investment

The Company holds significant investments in other companies.

<b>Cost of investments</b>	<b>31 December 2024</b>	<b>31 December 2023</b>
Balance at the beginning of the year	488,124,810	398,886,091
Investments recognised during the year	19,714,038	89,238,719
<b>TOTAL</b>	<b>507,838,848</b>	<b>488,124,810</b>

During the reporting period, the following important events have occurred (percentages below represent equity interest):

- 38% subsequent increase in participation of shares in Sanopass S.A.
- acquisition of 60% in shares\* of Stomestet S.A. from Dent Estet Clinic S.A.

*\* As of October 2024, Med Life S.A has acquired 60% in shares of Stomestet S.A. from Dent Estet Clinic S.A. The acquisition was performed through a compensation of loan (Med Life S.A has taken over the loan Dent Estet Clinic accessed for the acquisition of Stomestet S.A), as well as through the netting of amounts from the acquisition of Dentalife (Dent Estet Clinic S.A had a payable to Med Life for the acquisition of Dentalife).*

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 2024	31 December 2023
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	50%	50%
4	Policlinica de Diagnostic Rapid Medis SRL (indirect)*	Medical Services	Sfantu Gheorghe, Romania	66%	66%
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	merged under Genesys Medical Clinic SRL	83%
10	Genesys Medical Clinic SRL (indirect)*	Medical Services	Arad, Romania	83%	83%
11	Bactro SRL (indirect)*	Medical Services	Deva, Romania	merged under Genesys Medical Clinic SRL	83%
12	Transilvania Imagistica SA (indirect)*	Medical Services	Oradea, Romania	merged under Genesys Medical Clinic SRL	83%
13	Biofarm Farmec SRL (indirect)*	Distribution of Pharmaceutical Products in specialised stores	Arad, Romania	merged under Pharmalife-Med SRL	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	merged under Anima Specialty Medical Services SRL	100%
20	Prima Medical SRL	Medical Services	Craiova, Romania	100%	100%
21	Stem Cells Bank SA	Medical Services	Tinisoara, Romania	100%	100%
22	Dent Estet Clinic SA	Dental healthcare	Bucharest, Romania	65%	65%
23	Green Dental Clinic SRL (indirect)*	Dental healthcare	Bucharest, Romania	33%	33%
24	Dentist 4 Kids SRL (indirect)*	Dental healthcare	Bucharest, Romania	merged under Dent Estet Clinic SA	65%
25	Dent A Porter SRL (indirect)*	Dental healthcare	Bucharest, Romania	34%	34%
26	Dentestet Kids SRL (indirect)*	Dental healthcare	Bucharest, Romania	34%	34%
27	Aspen Laborator Dentar SRL (indirect)*	Dental healthcare	Bucharest, Romania	49%	49%
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 2024	31 December 2023
36	Ghencea Medical Center SA	Medical Services	Bucharest, Romania	merged under Anima Specialty Medical Services SRL	100%
37	Sfatul medicului SRL	Medical Platform	Bucharest, Romania	100%	100%
38	RMC Dentart (indirect)*	Dental healthcare	Budapesta, Hungary	89%	88%
39	RMC Medical (indirect)*	Medical Services	Budapesta, Hungary	89%	88%
40	RMC Medlife	Holding	Budapesta, Hungary	89%	88%
41	Badea Medical SRL	Medical Services	Cluj, Romania	65%	65%
42	Oncoteam Diagnostic SRL**	Medical Services	Bucharest, Romania	100%	100%
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	merged under Anima Specialty Medical Services SRL	100%
50	Centrul Medical Matei Basarab SRL (indirect)*	Medical Services	Bucharest, Romania	merged under Anima Specialty Medical Services SRL	100%
51	Pharmachem Distributie SRL	Distribution of Pharmaceutical Products in specialised stores	Bucharest, Romania	75%	75%
52	CED Pharma SRL (indirect)*	Distribution of Pharmaceutical Products in specialised stores	Bucharest, Romania	merged under Pharmalife-Med SRL	100%
53	Leti Pharm 2000 SRL (indirect)*	Distribution of Pharmaceutical Products in specialised stores	Bucharest, Romania	merged under Pharmalife-Med SRL	100%
54	Monix Pharm SRL (indirect)*	Distribution of Pharmaceutical Products in specialised stores	Bucharest, Romania	merged under Pharmalife-Med SRL	100%
55	KronDent SRL (indirect)*	Dental healthcare	Brasov, Romania	39%	39%
56	Medica SA	Medical Services	Sibiu, Romania	60%	60%
57	Dent Estet Ploiesti SRL (indirect)*	Dental healthcare	Ploiesti, Romania	33%	33%
58	The Lab Stomestet SRL (indirect)*	Dental healthcare	Cluj, Romania	merged under Stomestet SRL	39%
59	Stomestet SRL (indirect)*	Dental healthcare	Cluj, Romania	60%	39%
60	Stomestet Plus SRL (indirect)*	Dental healthcare	Cluj, Romania	merged under Stomestet SRL	39%
61	Costea Digital Dental SRL (indirect)*	Dental healthcare	Oradea, Romania	38%	38%
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	merged under Anima Specialty Medical Services SRL	100%
66	Pro Life Clinics SRL (indirect)*	Medical Services	Iasi, Romania	78%	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%	66%
70	IT Repair SRL (indirect)*	Medical Services	Targu Mures, Romania	50%	50%

No.	Entity	Main activity	Location	31 December 2024	31 December 2023
71	Medici's SRL	Medical Services	Timisoara, Romania	80%	80%
72	Micro-Medic SRL (indirect)*	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	50%	50%
75	Alinora Optimex SRL (indirect)*	Medical Services	Brasov, Romania	50%	50%
76	Medicris SRL (indirect)*	Medical Services	Oradea, Romania	merged under Genesys Medical Clinic SRL	83%
77	Triamed SRL (indirect)*	Medical Services	Oradea, Romania	merged under Genesys Medical Clinic SRL	83%
78	SC M-Profilaxis SRL (indirect)*	Medical Services	Timisoara, Romania	100%	80%
79	VitaCare Flav SRL (indirect)*	Medical Services	Pitesti, Romania	51%	51%
80	Dent Estet Genesys SRL (indirect)*	Medical Services	Arad, Romania	74%	74%
81	Aspire Dental SRL (indirect)*	Dental healthcare	Bucharest, Romania	65%	65%
82	Sanopass SA	Medical Platform	Targoviste, Romania	100%	63%
83	Muntenia Medical Competences S.A. (indirect)*	Medical Services	Pitesti, Romania	51%	51%
84	Bios Diagnostic Medical Services SRL (indirect)*	Medical Services	Bucharest, Romania	51%	51%
85	Centrul de Diagnostic si Tratament Provita S.A.	Medical Services	Bucharest, Romania	51%	51%
86	Medical City Blue SRL (indirect)*	Medical Services	Bucharest, Romania	51%	51%
87	Laborator Cuza Voda SRL (indirect)*	Medical Services	Bucharest, Romania	51%	51%
88	Provita Pain Clinic SA (indirect)*	Medical Services	Suceava, Romania	36%	36%
89	Policlinica Sf. Ilie SRL (indirect)*	Medical Services	Craiova, Romania	merged under Anima Specialty Medical Services SRL	100%
90	Policlinica Union SRL (indirect)*	Medical Services	Cluj, Romania	51%	51%
91	Brol Medical Center S.A. (indirect)*	Medical Services	Timisoara, Romania	56%	56%
92	Provita 2000 SRL (indirect)	Medical Services	Constanta, Romania	100%	0%
93	Nord Management Solutions SRL (indirect)	Development of building projects	Bucharest, Romania	51%	51%
94	Med Varix SRL (indirect)*	Medical Services	Timisoara, Romania	56%	0%
95	Personal Genetics SRL	Medical Services	Bucharest, Romania	100%	0%
96	Nord Soma SA (indirect)	Medical Services	Bucharest, Romania	51%	0%
97	Super Age by Nord SA (indirect)	Medical Services	Bucharest, Romania	51%	0%
98	VP-MED Kereskedelmi es Szolgaltato Korlatolt Felelossegu Tarsasag	Medical Services	Budapest, Hungary	100%	0%
99	Centrul Medical Antares SRL	Medical Services	Piatra Neamt, Romania	100%	0%
100	Euromedica Hospital SA	Medical Services	Baia Mare, Romania	80.33%	0%
101	Euromedica Administrator SA	Holding	Baia Mare, Romania	80.33%	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 from S.A. to S.R.L

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

\*\*\*\* Starting April 9<sup>th</sup> 2024, The Lab Stomestet SRL and Stomestet Plus SRL merged under Stomestet SRL.

\*\*\*\*\*Starting December 2024 Medicris S.R.L. was absorbed by Genesys Medica Clinic S.R.L and Dentist 4Kids S.R.L. was absorbed by Dent Estet Clinic S.A.

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 investments at individual level. This is performed using discounted cash flow models. The impairment test is performed at the level of each company with significant cost of investment. The results showed that for the entities subject to the impairment test, the related recoverable amount is higher than their net book value, therefore no impairment of their respective cost of investment was recorded on the reporting date. Management has engaged external specialists to assist with the impairment analysis, the entire valuation process being performed by certified ANEVAR valuers. There were no changes in the valuation techniques compared to prior year.



#### 4.2. Other financial assets

Carrying amount	31 December 2024	31 December 2023
Long-term loans granted to group companies	14,722,878	13,973,722
Other financial assets	2,210,065	1,851,958
<b>TOTAL</b>	<b>16,932,943</b>	<b>15,825,680</b>

#### Long-term loans granted to other companies in the Med Life Group

As of December 31, 2024, the Company presents long-term loans granted to Bahtco Invest SA and Medlife Ocupational SRL. Please refer to Note 23 for more details.

#### 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**

	<i><b>Intangible assets</b></i>	<i><b>Property, plant and equipment</b></i>						
	<b>Intangibles</b>	<b>Land</b>	<b>Buildings</b>	<b>Leasehold improvements</b>	<b>Vehicles and equipment</b>	<b>Construction in progress</b>	<i><b>Total Property, plant and equipment</b></i>	<b>Total</b>
<b>31 December 2023</b>	<b>69,886,132</b>	<b>95,295,965</b>	<b>127,274,295</b>	<b>70,734,554</b>	<b>265,624,296</b>	<b>16,486,519</b>	<b>575,415,629</b>	<b>645,301,761</b>
Additions	10,713,164	-	195,605	-	38,858,209	11,421,468	50,475,282	61,188,446
Transfers	-	-	4,801,158	2,728,055	-	(7,529,213)	-	-
Disposals	-	-	-	-	(31,554)	-	(31,554)	(31,554)
<b>31 December 2024</b>	<b>80,599,296</b>	<b>95,295,965</b>	<b>132,271,058</b>	<b>73,462,609</b>	<b>304,450,951</b>	<b>20,378,773</b>	<b>625,859,357</b>	<b>706,458,653</b>
	<b>Intangibles</b>	<b>Land</b>	<b>Buildings</b>	<b>Leasehold improvements</b>	<b>Vehicles and equipment</b>	<b>Construction in progress</b>	<i><b>Total Property, plant and equipment</b></i>	<b>Total</b>
<b>Depreciation</b>								
<b>31 December 2023</b>	<b>50,719,178</b>	-	<b>3,913,275</b>	<b>50,580,238</b>	<b>164,435,297</b>	-	<b>218,928,810</b>	<b>269,647,988</b>
Charge of the year	7,243,626	-	3,883,350	2,578,248	25,107,188	-	31,568,787	38,812,412
Disposals	-	-	-	-	(9,654)	-	(9,654)	(9,654)
Impairment losses recognized in profit or loss	-	-	-	-	377,870	-	377,870	377,870
<b>31 December 2024</b>	<b>57,962,804</b>	-	<b>7,796,625</b>	<b>53,158,486</b>	<b>189,910,701</b>	-	<b>250,865,813</b>	<b>308,828,617</b>
<b>Net Book Values</b>								
<b>31 December 2023</b>	<b>19,166,954</b>	<b>95,295,965</b>	<b>123,361,020</b>	<b>20,154,316</b>	<b>101,188,999</b>	<b>16,486,519</b>	<b>356,486,819</b>	<b>375,653,773</b>
<b>31 December 2024</b>	<b>22,636,493</b>	<b>95,295,965</b>	<b>124,474,433</b>	<b>20,304,123</b>	<b>114,540,250</b>	<b>20,378,773</b>	<b>374,993,545</b>	<b>397,630,036</b>

During 2024, the costs incurred with the website implementation were capitalised as a new intangible asset, which is amortized over a period of 3 years. Please see note 5.2.  
The amortization of intangible assets is presented in the line depreciation and amortization in the statement of profit or loss.

	<b>Intangible assets</b>	<b>Property, plant and equipment</b>						
	<b>Intangibles</b>	<b>Land</b>	<b>Buildings</b>	<b>Leasehold improvements</b>	<b>Vehicles and equipment</b>	<b>Construction in progress</b>	<b>Total Property, plant and equipment</b>	<b>Total</b>
<b>31 December 2022</b>	<b>59,859,669</b>	<b>95,295,965</b>	<b>127,274,295</b>	<b>68,340,287</b>	<b>224,999,157</b>	<b>18,753,317</b>	<b>534,663,021</b>	<b>594,522,690</b>
Additions	10,026,463	-	-	-	42,172,725	7,385,331	49,558,056	59,584,519
Transfers	-	-	-	2,670,019	-	(2,670,019)	-	-
Disposals	-	-	-	(275,752)	(1,547,586)	(6,982,110)	(8,805,448)	(8,805,448)
<b>31 December 2023</b>	<b>69,886,132</b>	<b>95,295,965</b>	<b>127,274,295</b>	<b>70,734,554</b>	<b>265,624,296</b>	<b>16,486,519</b>	<b>575,415,629</b>	<b>645,301,761</b>
	<b>Intangibles</b>	<b>Land</b>	<b>Buildings</b>	<b>Leasehold improvements</b>	<b>Vehicles and equipment</b>	<b>Construction in progress</b>	<b>Total Property, plant and equipment</b>	<b>Total</b>
<b>Depreciation</b>								
<b>31 December 2022</b>	<b>45,193,778</b>	-	-	<b>47,875,860</b>	<b>143,971,495</b>	-	<b>191,847,355</b>	<b>237,041,133</b>
Charge of the year	5,525,400	-	3,913,275	2,972,147	21,942,957	-	28,828,380	34,353,779
Disposals	-	-	-	(267,769)	(1,479,156)	-	(1,746,924)	(1,746,924)
<b>31 December 2023</b>	<b>50,719,178</b>	-	<b>3,913,275</b>	<b>50,580,238</b>	<b>164,435,297</b>	-	<b>218,928,810</b>	<b>269,647,988</b>
<b>Net Book Values</b>								
<b>31 December 2022</b>	<b>14,665,891</b>	<b>95,295,965</b>	<b>127,274,295</b>	<b>20,464,427</b>	<b>81,027,662</b>	<b>18,753,317</b>	<b>342,815,666</b>	<b>357,481,557</b>
<b>31 December 2023</b>	<b>19,166,955</b>	<b>95,295,965</b>	<b>123,361,020</b>	<b>20,154,316</b>	<b>101,189,000</b>	<b>16,486,519</b>	<b>356,486,820</b>	<b>375,653,774</b>

During 2023, the costs incurred with the website implementation were capitalised as a new intangible asset, which is amortized over a period of 3 years. The amortization of intangible assets is presented in the line depreciation and amortization in the statement of profit or loss.

## 5.1. Land and buildings carried at fair value

The value of land and buildings of the Company are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The last revaluation on Land and Buildings took place at the end of 2022. The fair value measurements of the Company's freehold land and buildings as at 31 December 2022 were performed by independent valuator certified by ANEVAR and having appropriate qualifications and recent experience in the fair value measurement of properties in the relevant locations.

If the land and buildings of the Company had been valued at historical cost, their book value would have been the one presented below:

Carrying amount	December 31, 2024	December 31, 2023
Land	52,421,011	52,421,011
Buildings	13,860,633	13,665,028
<b>TOTAL</b>	<b>66,281,644</b>	<b>66,086,039</b>

## 5.2. Other intangibles

All the other intangibles are amortised on a straight-line basis, over a period of 3 years. During 2024, the costs incurred with the website implementation that met the capitalization criteria of IAS 38 Intangible assets were capitalised as a new intangible asset, in the amount of RON 834,051, which is amortized over a period of 3 years.

The capitalized cost for other intangible assets such as development of internal IT applications, was recognized during the year, in the amount of RON 4,112,735 and it is already included in the other intangible assets on the balance sheet – for further details please also see Note 18.1.

## 6. INVENTORIES

	31 December 2024	31 December 2023
Consumable	15,172,807	14,015,439
Materials in the form of inventory items	148,068	365,961
Inventory in transit	-	619
<b>TOTAL</b>	<b>15,320,875</b>	<b>14,382,019</b>

During 2024 and 2023 no amount was recognized as an expense for inventories carried at net realisable value.

## 7.1. TRADE RECEIVABLES

	December 31, 2024	December 31, 2023
Trade receivables	128,557,860	115,464,039
Allowance for doubtful receivables	(31,394,866)	(28,262,015)
<b>TOTAL</b>	<b>97,162,994</b>	<b>87,202,024</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 days 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.

Based on the assessed credit risk of the customers, the Company's trade receivables are split between individually assessed and collectively assessed.

<b>December 31, 2024</b>	<b>Individually assessed</b>	<b>Collectively assessed</b>	<b>Total</b>
Trade receivables	76,665,601	51,892,259	128,557,860
Allowance for doubtful receivables	(9,690,762)	(21,704,103)	(31,394,865)
<b>TOTAL</b>	<b>66,974,839</b>	<b>30,188,156</b>	<b>97,162,994</b>

<b>December 31, 2023</b>	<b>Individually assessed</b>	<b>Collectively assessed</b>	<b>Total</b>
Trade receivables	68,703,082	46,760,957	115,464,039
Allowance for doubtful receivables	(9,631,518)	(18,630,497)	(28,262,015)
<b>Total</b>	<b>59,071,565</b>	<b>28,130,459</b>	<b>87,202,024</b>

Individually assessed trade receivables include mainly accrued income, trade receivables from National Health Insurance House and subsidiaries of MedLife, for which due to management's assessment of a lower credit risk, which resulted to no material allowance for expected credit losses, the Company did not recognise any in the financial statements. As an exception, as accrued income, it is included an amount of RON 7,425,082 which represents amounts receivable by MedLife S.A. from the Health Insurance House of the Municipality of Bucharest, not yet invoiced, for which the Company has recognised a 100% allowance.

As of 31 December 2024 and 31 December 2023, the amounts, both the receivable and the 100% allowance are still in balance. Remaining amounts recorded in accrued income represent services rendered, for which the invoices were not yet issued as at year end.

The allowance for expected credit losses for individually assessed trade receivables include the value adjustment aforementioned in relation to the Health Insurance House as well as an allowance for certain customers for which management has assessed as having a default rate of 100% and computed an allowance for expected credit losses for the entire amount.

The Company applies the simplified approach for providing for expected credit losses (ECL) prescribed by IFRS 9, which requires the use of the lifetime expected loss provision for all trade receivables which are collectively analysed. A provision matrix was prepared based on historical observed default rates over the expected life of trade receivables resulting in an ECL reflecting the predictive risk by type of customer.

Changes in economic conditions were also considered as part of forward-looking information. Estimating adjustments for expected credit losses involves forecasting future macroeconomic conditions for the next year, adjusted to the average for 2025-2026 period in terms of GDP growth.

The allowance for expected credit losses collectively assessed based on the Company's provision matrix was determined as follows:

<b>December 31, 2024</b>	<b>Current</b>	<b>&lt;30 days</b>	<b>&lt; 90 days</b>	<b>&lt;180 days</b>	<b>&lt;365 days</b>	<b>&gt;365 days</b>	<b>Total</b>
Expected credit loss rate	0.33%	6.69%	12.28%	23.14%	35.07%	84.07%	
Trade receivables	22,763,740	545,301	1,040,811	1,392,176	1,720,957	24,429,274	51,892,259
Allowance for doubtful receivables	(75,771)	(36,459)	(127,776)	(322,093)	(603,475)	(20,538,530)	(21,704,103)
<b>TOTAL</b>	<b>22,687,969</b>	<b>508,842</b>	<b>913,034</b>	<b>1,070,084</b>	<b>1,117,482</b>	<b>3,890,744</b>	<b>30,188,156</b>

<b>December 31, 2023</b>	<b>Current</b>	<b>&lt;30 days</b>	<b>&lt; 90 days</b>	<b>&lt;180 days</b>	<b>&lt;365 days</b>	<b>&gt;365 days</b>	<b>Total</b>
Expected credit loss rate	0.25%	3.15%	4.69%	7.96%	26.61%	84.02%	
Trade receivables	23,295,739	485,820	450,672	240,487	363,692	21,924,548	46,760,957
Allowance for doubtful receivables	(57,293)	(15,326)	(21,133)	(19,141)	(96,793)	(18,420,812)	(18,630,497)
<b>TOTAL</b>	<b>23,238,446</b>	<b>470,494</b>	<b>429,539</b>	<b>221,346</b>	<b>266,899</b>	<b>3,503,736</b>	<b>28,130,459</b>

For Customers in ">365 days" category, the expected credit loss rate of 84.07% represents an average of expected credit loss rates, depending on the aging of the receivables. Expected credit loss rates range from 45.1% for receivables from 2023 gradually increasing to 100%. For all receivables from 2018 and older, allowance for doubtful receivables was computed for the entire amount as having a default rate of 100% and no longer analyzed for collection.

A reconciliation of the allowance for doubtful receivables is presented as follows:

	<b>2024</b>	<b>2023</b>
<b>As at 1 January</b>	<b>28,262,015</b>	<b>27,312,408</b>
Recognised in income statement	3,132,850	949,607
Amounts written of	-	-
<b>As at 31 December</b>	<b>31,394,865</b>	<b>28,262,015</b>

The Company's total Trade receivables from related parties are in the amount of RON 48,667,306 (31 December 2023: RON 37,546,876) and were presented on Note 23.

## 7.2. OTHER ASSETS AND RECEIVABLES

	<b>31 December 2024</b>	<b>31 December 2023</b>
Advances paid	7,002,229	5,097,626
Other receivables	16,295,842	21,638,682
Other assets	1,837,545	382,504
<b>TOTAL</b>	<b>25,135,616</b>	<b>27,118,812</b>

The decrease in Other receivables is as a result of the sale made by Med Life SA to Dentestet Clinic SA for Dentalife Clinic in 2023.

## 8. CASH AND CASH EQUIVALENTS

	<b>31 December 2024</b>	<b>31 December 2023</b>
Cash in bank	13,992,862	8,994,237
Cash in hand	620,548	483,812
Cash equivalents	722,360	723,467
<b>TOTAL</b>	<b>15,335,770</b>	<b>10,201,516</b>

For the carrying value of the current accounts that are pledged in order to secure the borrowings please refer to Note 14.

## 9. PREPAYMENTS

As of December 31, 2024 the Company has prepayments in amount of RON 3,422,223 (RON 1,228,014 as of December 31, 2023). The prepayments balance as of December 31, 2024 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>31 December 2024</b>	<b>31 December 2023</b>
Suppliers	173,416,999	135,085,307
Fixed assets suppliers	32,048,975	22,780,305
Contract liability	1,976,266	2,477,844
<b>TOTAL</b>	<b>207,442,240</b>	<b>160,343,456</b>

The balance of the suppliers account consists of debts for the acquisition of consumables, materials and commodities. Fixed assets suppliers account consists of debts for the acquisition of medical equipment. The Company's total Trade payables due to related parties are in the amount of RON 99,971,550 (31 December 2023: RON 71,259,012) and were presented on Note 23.



## 11. OTHER LIABILITIES

	31 December 2024	31 December 2023
Salary and related liabilities (incl. contributions)	9,796,385	8,899,336
Other liabilities	10,552,003	5,598,459
<b>TOTAL</b>	<b>20,348,388</b>	<b>14,497,795</b>

On the Other liabilities account it is included the amount of RON 1,761,907 (31 December 2023: 1,761,907) in relation to an intercompany investment that was transferred from Policlinica Diagnostic Rapid in the past. The amount is presented on the Note 23 for related parties.

## 12. PROVISIONS

	December 31, 2024	December 31, 2023
<b>Carrying amount at start of year</b>	<b>2,790,424</b>	<b>3,480,319</b>
Charged/(credited) to profit or loss		
- additional provisions recognised	2,795,566	9,339
- unused amounts reversed	-	-
Amounts used during the year	(816,786)	(699,234)
<b>As at 31st December</b>	<b>4,769,204</b>	<b>2,790,424</b>

Provisions booked as of 31 December 2024 and 31 December 2023 refer to provisions related to untaken holidays, which covers 100% from total balance. The total balanced has increased with 1,978,780 RON compared with prior year.

## 13. LEASE

Leasing facilities refer to buildings, vehicles and medical equipment.

<b>Right-of-use asset</b>	<b>Buildings</b>	<b>Vehicles</b>	<b>Equipment</b>	<b>Total</b>
<b>Cost</b>				
<b>Value at 31 December 2023</b>	<b>120,404,287</b>	<b>15,454,615</b>	<b>23,701,120</b>	<b>159,560,021</b>
Additions	25,021,222	70,484	356,040	<b>25,447,746</b>
Disposals	(506,521)	(240,697)	-	<b>(747,218)</b>
<b>Value at 31 December 2024</b>	<b>144,918,989</b>	<b>15,284,402</b>	<b>24,057,160</b>	<b>184,260,550</b>
<b>Accumulated depreciation</b>				
<b>Value at 31 December 2023</b>	<b>82,784,280</b>	<b>9,682,557</b>	<b>14,686,740</b>	<b>107,153,576</b>
Charge for the year	22,843,239	2,969,561	3,061,334	<b>28,874,133</b>
Disposals	(406,811)	(204,361)	-	<b>(611,172)</b>
<b>Value at 31 December 2024</b>	<b>105,220,708</b>	<b>12,447,756</b>	<b>17,748,074</b>	<b>135,416,538</b>
<b>Carrying amount</b>				
<b>Value at 31 December 2023</b>	<b>37,620,007</b>	<b>5,772,058</b>	<b>9,014,380</b>	<b>52,406,445</b>
<b>Value at 31 December 2024</b>	<b>39,698,281</b>	<b>2,836,646</b>	<b>6,309,086</b>	<b>48,844,012</b>

	December 31, 2024	December 31, 2023
Non-current - Lease Liabilities	27,066,810	30,921,580
Current portion - Lease Liabilities	24,096,539	24,607,775
<b>TOTAL</b>	<b>51,163,349</b>	<b>55,529,355</b>

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Depreciation charge of right-of-use assets	28,874,133	27,831,344
Interest expense on lease liabilities (included in finance cost)	2,749,951	2,482,884
PL (Gain) from contracts terminated earlier	6,338	374,131
Foreign exchange loss in relation with Lease Liabilities	16,849	375,286
Income tax expense in relation with Lease Liabilities	-	-
Expense relating to short-term leases (included in rent expenses)	80,679	125,687
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in rent expenses)	267,454	660,161
Other categories	3,361,785	3,363,595

The total cash outflow for leases amount to RON 32,323,561 (2023: RON 31,443,801) for contracts that fall under IFRS 16 (which refer to rental of buildings, vehicles and equipment), out of which RON 29,573,610 (2023: RON 28,814,599) refer to payments of principal and RON 2,749,951 (2023: RON 2,629,202) refer to payments of interest. For leases relating to short-term contracts or low value assets, the total cash outflow amount to RON 348,133 (2023: RON 785,848).

#### Extension and termination options

Extension and termination options are only included in the lease term when the Company has the right to unilaterally extend/terminate and judges that this right is reasonably certain to be exercised. For some of the Company's lease agreements with extension options, these criteria are considered met and the extension option is therefore included in the lease term.

Some of the real estate leases within the Company contain termination options with a purpose to achieve operational flexibility. For some of these agreements, the Company is reasonably certain that the termination option will be exercised. Consequently, the lease liability does not include future rental payments in the period after the earliest termination date.

#### 14. FINANCIAL DEBT

	<b>31 December 2024</b>	<b>31 December 2023</b>
Overdraft	9,948,200	9,949,200
Current portion of long-term loans	58,861,845	45,140,930
Non-current portion of long-term loans	582,827,132	593,857,396
<b>TOTAL</b>	<b>651,637,177</b>	<b>648,947,526</b>

	<b>31 December 2024</b>	<b>31 December 2023</b>
Cash and cash equivalents	15,335,770	10,201,516
Borrowings (including overdraft)	(651,637,177)	(648,947,526)
Lease liabilities	(51,163,349)	(55,529,355)
<b>Net debt</b>	<b>(687,464,756)</b>	<b>(694,275,365)</b>

Overdraft	(9,948,200)	(9,949,200)
Current portion of lease liability	(24,096,539)	(24,607,775)
Current portion of long term debt	(58,861,845)	(45,140,930)

#### Long Term Debt

Lease liability	(27,066,810)	(30,921,580)
Long term debt	(582,827,132)	(593,857,396)

### **Increases in credit facility during 2024**

On 14 March 2024, the Group increased the existing facilities by 50 million euros upon signing an addendum to the existing loan. The syndicate of banks which signed the increase in syndicated loan consists of Banca Comercială Română, as Coordinating Mandated Lead Arranger, Documentation Agent, Facility Agent, Security Agent and Bookrunner, Raiffeisen Bank, BRD Groupe Société Générale and Banca Transilvania, as Original lenders.

The closing balance of the syndicated loan is 637,528,177RON as of December 31, 2024.

As at December 31, 2024, 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, 2024, is of RON 9,948,200.

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 of 31 December 2024, in relation to the loans with balance of RON 637,528,177 the Company has pledged the property, plant and equipment with a carrying value of RON 165,984,829. The Company has also pledged the carrying value of current accounts in a total amount of RON 12,885,689 and pledged receivables of RON 53,797,379 at 31 December 2024.

The Company has pledged shares in relation with the companies acquired until December 31, 2024 and pledged assets in relation to the other loans presented in Note 14.

The Company's capital management, among other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches of the financial covenants of any interest-bearing loans and borrowing in the current period.

A reconciliation of cash and non-cash movements of loans payable, lease liabilities is presented in the following table:

	<b>Liabilities from financing activities</b>			
	<b>Borrowings</b>	<b>Leases</b>	<b>Overdraft</b>	<b>Total</b>
<b>Financial Debt as at 31 December 2023</b>	<b>(638,998,326)</b>	<b>(55,529,355)</b>	<b>(9,949,200)</b>	<b>(704,476,881)</b>
<b>Cash movements</b>				
Cash flows net related to principal	(3,921,445)	29,573,610	-	<b>25,652,165</b>
Payments of interest	39,523,222	2,749,951	-	<b>42,273,173</b>
<b>Non-cash movements</b>				
New leases	-	(24,951,869)	-	<b>(24,951,869)</b>
Foreign exchange adjustments	56,268	12,947	1,000	<b>70,215</b>
Other changes (non-cash movements)	(38,348,697)	(3,018,633)	-	<b>(41,367,330)</b>
<b>Financial Debt as at 31 December 2024</b>	<b>(641,688,977)</b>	<b>(51,163,349)</b>	<b>(9,948,200)</b>	<b>(702,800,526)</b>

\*Other changes (non-cash movement) contains the accrued interest expense.

## 15. 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 2023: 531,481,968) 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.

	<b>31 December 2024</b>	<b>31 December 2023</b>
Share capital	132,870,492	132,870,492
Share premium	(308,155)	(308,155)
<b>TOTAL</b>	<b>132,562,337</b>	<b>132,562,337</b>

During 2024 the Company reacquired own equity instruments (treasury shares) in a total amount of RON 1,078,836 (2023: RON 488,718) and released no shares (2023: RON 3,026,045, net of commissions). No amount was recognised for the difference between the fair value and cost of own shares, since no change was made (compared with 2023, when the amount recognised was RON 308,155 and was included as an increase on the share premium account). The total number of shares held by the entity is 427,042 as of 31 December 2024 (162,984 as of 31 December 2023).

## 16. RESERVES

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

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Legal reserves (i)	8,456,933	7,332,266
Other reserves (ii)	27,895,072	27,895,072
Revaluation reserves (iii)	106,464,509	106,464,509
<b>TOTAL</b>	<b>142,816,514</b>	<b>141,691,848</b>

### (i), (ii) General reserves and other reserves

<b>Balance at beginning of the year</b>	<b>35,227,339</b>	<b>34,538,597</b>
Movements	-	688,742
<b>Balance at the end of the year</b>	<b>35,227,339</b>	<b>35,227,339</b>

### (iii) Revaluation reserves

<b>Balance at beginning of the year</b>	<b>106,464,509</b>	<b>106,464,509</b>
Decrease arising revaluation correction	-	-
Increase due to revaluation	-	-
Deferred tax related to revaluation	-	-
<b>Balance at the end of the year</b>	<b>106,464,509</b>	<b>106,464,509</b>

On the Legal reserves account there are legal reserves registered in the amount of RON 8,456,933 (2023: RON 7,332,266).

The properties revaluation reserve arises on the revaluation of land and buildings. During 2022, the Med Life SA engaged an independent appraiser to determine the fair value for land and buildings as of 31 December 2022.

When revalued land or buildings are sold or otherwise disposed of, the portion of the properties revaluation reserve that relates to that asset, and that is effectively realized, is transferred directly to general reserves.

The effects of taxes on income, resulting from the revaluation of property, plant and equipment are recognized and disclosed in accordance with IAS 12 Income Taxes (please see Note 24).

## 17. REVENUE FROM CONTRACTS WITH CUSTOMERS

Turnover for the 12 months period ended December 31, 2024 was 716,937,391 RON (12 months ended December 31, 2023: 636,435,030 RON) and consists of medical services, including revenues from prevention packages of corporate customers and fees for services rendered within Med Life's clinics and various hospitals within Romania. Please see breakdown below.

## Sales

Business Line	12 months 2024 Sales	% of Total Sales	12 months 2023 Sales	% of Total Sales	Variation 2024/2023
Clinics	209,466,630	29.2%	189,267,075	29.7%	10.7%
Corporate	201,389,691	28.1%	182,856,902	28.7%	10.1%
Hospitals	173,208,866	24.2%	152,378,890	23.9%	13.7%
Laboratories	130,210,975	18.2%	110,287,800	17.3%	18.1%
Overheads	2,661,229	0.4%	1,057,976	0.2%	151.5%
Stomatology	-	0.0%	586,387	0.1%	-100.0%
<b>TOTAL SALES</b>	<b>716,937,391</b>	<b>100%</b>	<b>636,435,030</b>	<b>100%</b>	<b>13%</b>

Of the total sales in 2024, around 12% (10% in 2023) come from the treatment of patients insured through the Health Insurance House. The Company's revenues are generated in Romania. The entire amount included in contractual obligations at the beginning of the year (Note 10) was recorded as income in 2024.

## 18.1 OTHER OPERATING INCOME

	12 months 2024	12 months 2023
Other operating income	839,144	8,166,567
<b>TOTAL</b>	<b>839,144</b>	<b>8,166,567</b>

The decrease recorded in Other operating income is as a result of the sale made by Med Life SA to Dentestet Clinic SA for Dentalife Clinic in 2023, the entire Stomatology Division being moved to another Company within Group Medlife; the net gain from this transaction was in the amount of 5.802.829 RON.

## 18.2 Dividend Income

During 2024, the Company has received dividends of RON 26,421,834, received from its subsidiaries, out of which RON 1,399,080 was collected until the end of the year.

## 19. THIRD PARTY EXPENSES

	12 months 2024	12 months 2023
Medical services	229,498,462	210,751,745
Other services	52,273	1,907,971
Cleaning and laundry	6,472,830	5,725,998
Consulting services	5,017,051	4,301,518
Legal services	4,308,166	3,600,531
Others	8,130,143	4,200,829
Security and safety	1,873,987	2,043,623
Waste collection and sanitation	2,223,188	1,786,379
Logistics and telecommunications services	167,582	263,773
IT services	530,714	508,815
Storage and archiving services	511,259	366,530
Accreditations and authorizations	499,121	618,350
<b>TOTAL</b>	<b>259,284,776</b>	<b>236,076,062</b>

## 20. OTHER OPERATING EXPENSES

	12 months 2024	12 months 2023
Utilities	8,797,143	9,039,038
Repairs maintenance	6,245,405	5,205,379
Rent	3,709,918	4,149,443
Insurance premiums	1,982,223	2,392,115
Promotion expense	15,686,744	13,636,147
Communications	2,379,998	2,313,600
Other administration and operating expenses	5,921,260	7,617,152
<b>TOTAL</b>	<b>44,722,691</b>	<b>44,352,874</b>

## 21. MANAGEMENT AND STAFF PERSONNEL EXPENSES

The structure of Med Life personnel is described below:

	December 31, 2024	December 31, 2023
Management	43	45
Staff	1,949	1,997
<b>Total</b>	<b>1,992</b>	<b>2,042</b>

The short-term benefits (salary expenses) paid by the Company, by type of personnel are described below:

	December 31, 2024	December 31, 2023
Management	26,905,665	21,492,146
Staff	184,165,541	170,070,046
<b>Total</b>	<b>211,071,206</b>	<b>191,562,192</b>

For key management personnel expenses, please refer to Note 23 (b).

## 22. NET FINANCIAL RESULT

	12 months 2024	12 months 2023
Loss from foreign exchange rate impact	(405,508)	(4,100,145)
Finance cost	(44,090,127)	(37,880,512)
Bank commissions	(1,722,819)	(1,894,074)
Interest income	13,005,328	12,904,228
<b>FINANCIAL NET LOSS</b>	<b>(33,213,126)</b>	<b>(30,970,503)</b>

## 23. RELATED PARTIES

### (a) Main shareholders

As of December 31, 2024, the shareholders' structure of Med Life SA is as presented below:

	Number of shares	%	Value
Cristescu Mihaela Gabriela	74,642,760	14.04%	18,660,690
Marcu Mihail	72,944,828	13.72%	18,236,207
NN privately administered Pensions Fund	70,356,940	13.24%	17,589,235
Marcu Nicolae	54,631,600	10.28%	13,657,900
AZT Viitorul Tau privately administered Pensions Fund (Allianz Tiriac)	46,219,200	8.70%	11,554,800
Metropolitan Life privately administered Pensions Fund	34,763,991	6.54%	8,690,998
International Finance Corporation (IFC)	24,110,400	4.54%	6,027,600
Other Legal persons	125,066,423	23.53%	31,266,606
Med Life S.A.	427,042	0.08%	106,761
Other Individuals	28,318,784	5.33%	7,079,696
<b>TOTAL</b>	<b>531,481,968</b>	<b>100%</b>	<b>132,870,492</b>

As of December 31, 2023, the shareholders' structure of Med Life SA was as presented below:

	Number of shares	%	Value
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>

**(b) Executive Committee and Board of Directors' compensation – key management personnel expenses**

Compensations granted to the members of the Executive Committee were as follows:

	<u>12 months 2024</u>	<u>12 months 2023</u>
Executive Committee	8,179,674	7,709,531

Executive Committee compensation includes the payments toward members of the top management under their mandate contracts concluded with the Company for a period of 4 years.

As at January 1, 2024, the Company's Executive Committee consisted of ten managers remunerated based on mandate agreements.

Considering the expiration of the mandates of the members of the Executive Committee of the Company on October 21, 2024, the mandates of the following members were extended, starting from October 21, 2024, until October 20, 2028:

- Mr. Mihail Marcu as Chief Executive Officer and Member of the Executive Committee;
- Mr. Nicolae Marcu as Director of Health and Operations and Member of the Executive Committee;
- Mr. Dorin Preda as Deputy Chief Executive Officer and Member of the Executive Committee;
- Ms. Oana-Alina Irinoiu as Chief Financial Officer and Member of the Executive Committee.

The new Executive Committee of the Company is reduced from 10 to 5 members, with 4 members appointed as stated above and one position remaining vacant.

Compensations granted to the members of the Board of Directors were as follows:

	<u>12 months 2024</u>	<u>12 months 2023</u>
Board of Directors	4,099,181	3,840,591
out of which:		
Indemnity	3,860,308	3,840,591
Benefits	238,873	-

The Directors do not benefit from a variable remuneration component.

Med Life SA Board of Directors consists of 7 members under administration agreements concluded with the Company, and approved by the General Shareholders Meeting.

The members' mandates are for a period of 4 years, starting with 22 December 2024, according to the Ordinary General Shareholders Meeting no. 1 / 21.11.2024.

The composition of Medlife's Board of Directors remained the same:

Mihail Marcu – Executive Director – Chairman of the BoD  
Nicolae Marcu – Executive Director – Member of the BoD  
Dorin Preda – Executive Director – Member of the BoD  
Ana Maria Mihaescu – Non-executive Director – Member of the BoD  
Dimitrie Pelinescu-Onciul – Non-executive Director – Member of the BoD  
Voicu Cheta – Non-executive Director – Member of the BoD  
Ovidiu Fer – Non-executive Director – Member of the BoD

During the year 2024 there have been no amendments to the composition of Medlife's Board of Directors.

**(c) Balances and transactions with subsidiaries and other related parties**

**Balance of receivables and payables from/to subsidiaries and other related parties:**

**Trade Receivables/Trade Payables**

The Company's trade relations with its subsidiaries represent rendering of medical services, rental of medical facilities and acquisition of materials and commodities.

The Company's total Trade receivables from related parties are in the amount of RON 48,667,306 (31 December 2023: RON 37,546,876) and are part of Trade receivables on the balance sheet.

The Company's total Trade payables due to related parties are in the amount of RON 99,971,550 (31 December 2023: RON 71,259,012) and are part of Trade and other payables on the statement of financial position.



**MED LIFE S.A.**  
NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024  
*(all amounts are expressed in RON, unless otherwise specified)*



	<b>Receivables from</b>		<b>Payables to</b>	
	<b>December 31, 2024</b>	<b>December 31, 2023</b>	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Centrul Medical Panduri S.A.	1,374,044	1,435,122	8,570,418	3,378,578
Almina Trading S.A.	1,940,515	1,017,374	309,784	194,279
Anima Speciality Medical Services S.R.L.	4,730,841	1,371,995	9,540,139	6,351,922
Pharmalife Med S.R.L.	5,064	-	982,932	666,056
Biofarm Farmec S.R.L.	-	-	8,887	8,887
Policlinica de Diagnostic Rapid S.A.	11,702,059	9,635,407	21,161,684	14,281,612
Histo S.R.L.	1,233	1,233	564,607	472,485
Genesys Medical S.R.L.	806,210	2,250,876	10,118,652	6,816,052
Policlinica de Diagnostic Rapid Medis S.R.L.	1,033,888	709,949	2,868,592	2,781,705
Accipiens S.A.	-	6,692	-	-
Biotech Med S.R.L.	3,072,909	1,973,406	10,329,946	8,408,190
Vital Test S.R.L.	-	-	1,223,199	1,223,199
Centrul Medical Sama S.A.	3,380,419	2,300,733	7,709,159	5,360,516
Ultratest Craiova S.A.	38,109	38,109	-	-
Bahtco Invest S.R.L.	-	-	827,604	1,228,437
Medapt S.R.L.	-	-	832,033	832,033
RUR Medical S.R.L.	244,108	244,108	1,134,616	1,134,616
Transilvania Imagistica S.A.	-	-	-	173,789
Diamed Center S.R.L.	-	3,186,291	-	295,583
Stem Cells Bank S.A.	5,240,775	4,179,399	-	-
Dent Estet Clinic S.A.	109,149	103,489	159,368	158,370
Medlife Ocupational S.R.L.	55,990	55,990	-	-
Solomed Clinic S.A.	2,809,595	2,118,842	3,050,794	2,214,593
Clinica Polisano S.R.L.	5,493,146	3,878,070	4,863,956	3,281,882
Prima Medical S.R.L.	46,639	46,639	133,502	59,792
Aspen Laborator Dentar S.R.L.	1,300	947	-	-
Solomed Plus S.R.L.	2,875	1,156	1,481,712	1,219,049
Valdi Medica S.A.	2,062,941	840,797	455,168	142,168
Sfatul Medicului S.R.L.	188,067	187,954	105,351	57,641
Spital Lotus S.R.L.	1,199,190	266,482	510,167	193,998
Centrul Medical Micromedica S.R.L.	678,325	417,367	1,702,419	3,162,277
Micromedica Roman	-	-	6,560	-
Onco Team Diagnostic S.R.L.	26,797	8,190	7,270,485	3,850,636
Badea Medical S.R.L.	-	(213)	32,614	14,714
RMC Medlife Holding Kft.	-	877	-	-
Centrul Medical Matei Basarab S.R.L.	-	187,762	-	-
CED Pharma S.R.L.	-	404	-	-
Pharmachem Distributie S.R.L.	-	4,388	2,955,041	2,569,420
Dent Estet Ploiesti S.R.L.	-	1,313	-	-
Expert Med Centrul Medical Irina S.R.L.	-	-	14,036	107,416
Krondent S.R.L.	-	1,104	-	-
Medica S.A.	-	-	66,154	10,180
Leti Farm 2000 S.R.L.	-	87	-	-
Monix Pharm S.R.L.	-	72	-	-
Stomestet S.R.L.	-	-	36,193	12,881
Costea Digital Dental S.R.L.	-	1,164	-	-
MNT Healthcare Europe S.R.L.	621,801	132,689	4,500	4,500
Pro Life Clinics S.R.L.	-	-	15,946	83,278
Onco Card S.R.L.	-	-	96,958	45,120
Tomorad Expert S.R.L.	-	-	6,081	4,550
Alinora Optimex SRL	-	-	460,501	-
Triamed S.R.L.	-	-	3,610	3,610
Sanopass S.A.	-	13,680	49,403	2,659
Medici's S.R.L.	1,379,732	468,675	-	4,466
SC M-Profilaxis S.R.L.	-	396,356	-	-
Muntenia Medical Competences S.A.	-	-	36,253	8,677
Centrul de Diagnostic si Tratament Provita S.A.	-	-	153,318	314,213
Laborator Cuza Voda S.R.L.	417,503	49,375	-	-
Provita Pain Clinic S.A.	-	-	2,866	8,554
Dent Estet Genesys S.R.L.	-	689	-	-
Dentist 4 Kids S.R.L.	-	1,523	-	-
Green Dental Clinic S.R.L.	602	535	-	-
DIETLIFE FOOD S.R.L.	3,482	278	-	-
BLACK SEA MAGIC S.R.L.	-	9,500	-	-
DR. CRISTESCU I. MIHAELA-GABRIELA	-	-	116,345	116,429
<b>Total</b>	<b>48,667,306</b>	<b>37,546,876</b>	<b>99,971,550</b>	<b>71,259,012</b>

### Other liabilities from related parties

On the Other liabilities account it is included the amount of RON 1,761,907 (31 December 2023: 1,761,907) in relation to Policlinica Diagnostic Rapid, please refer to Note 11.

### Other receivables from related parties

On the Other assets it is included an intercompany amount with Pharmachem Distributie as a result of assigned receivables of RON 7,914,243 (31 December 2023: RON 7,914,243), after the acquisition took place in 2021. Also, the Other assets account includes as of December 31, 2023 an intercompany balance as a result of the sale made by Med Life SA to Dentestet Clinic SA for Dentalife Clinic in the amount of RON 5,802,829 and also the amount of RON 6,982,109, in relation to an intercompany investment that was transferred from Med Life SA to Polissano. These amounts are no longer in balance as of December 31, 2024, thus the variation. Please refer to Note 4.1 for further details..

### Loans granted to subsidiaries

	Outstanding balance of:			
	Loans granted to:		Interest receivable from:	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Valdi Medica S.A.	-	1,870,000	376,067	434,163
Policlinica de Diagnostic Rapid S.A.	-	11,689	-	-
Bahtco Invest S.R.L.	46,478,017	43,002,870	13,983,200	10,576,389
MedLife Ocupational S.R.L.	188,531	313,535	250,528	468,005
Stem Cells Bank S.A.	24,789,936	20,289,586	4,969,747	3,037,504
Clinica Polissano S.R.L.	7,314,977	21,710,245	8,686,869	6,985,186
Diamed Center S.R.L.	-	10,353,605	-	2,500,799
Sfatul Medicului S.R.L.	4,210,500	4,210,500	1,008,025	642,819
Pharmachem Distributie S.A.	7,914,243	-	-	-
Personal Genetics S.A.	683,939	-	-	-
VALDI MEDICA SRL	(5,358)	-	-	-
Pharmalife Med S.R.L.	8,439,358	7,706,088	2,484,764	1,626,936
RMC Medlife Holding Kft.	4,606,017	1,094,412	159,063	80,345
CED Pharma S.R.L.	-	630,000	-	108,611
LETI Farm 2000 S.R.L.	-	103,270	-	17,388
Badea Medical S.R.L.	867,860	727,860	154,808	80,296
MNT Healthcare Europe S.R.L	5,790,384	5,790,384	370,661	219,806
Sanopass S.A.	4,326,101	4,326,101	844,801	469,568
Solomed Clinic S.A.	-	-	101,923	256,699
Sweat Concept One S.R.L.	22,883,930	14,810,430	3,642,107	1,876,212
Centrul de Diagnostic si Tratament Provita	13,890,550	9,195,630	1,104,800	148,191
Anima Speciality Medical Services S.R.L. SRL	10,353,605	-	3,398,801	-
Medici's S.A.	1,988,000	-	12,833	-
<b>Total</b>	<b>164,720,589</b>	<b>146,146,205</b>	<b>41,548,997</b>	<b>29,528,917</b>

The balances of the loans granted to the affiliated parties also include the amount of RON 14,722,878 (2023: RON 13,239,277), values that are found in the statement of financial position on the line of Other financial assets.

Total interest income recognized in the period was in amount of RON 12,760,406.

Total interest expense recognized in the period was in amount of RON 978,475.

As a result of the acquisition of 98% of the share capital in Personal Genetics, Med Liffe S.A took over the entity's loan at a discounted price (RON 683,939), while the value of the loan owed by Personal Genetics is RON 9,701,148. For the difference, Med Life S.A recognizes interest income up to the value of the loan.

The management has calculated the impact of accounting for amortized cost and concluded that the ECL impact is not material.

No collateral is provided for loan contracts, for the amounts granted to related parties and the interest rates range between 2% and 7% for EUR and between 8% and 9% for RON.

#### Loans obtained from subsidiaries

	Outstanding balance of:			
	Loans obtained from:		Interest payable to:	
	December 31, 2024	December 31, 2023	December 31, 2024	December 2023
Policlínica de Diagnostic Rapid S.A.	-	-	1,624	-
Policlínica de Diagnostic Rapid Medis S.R.L.	-	-	39,160	1,624
Med Life Broker de Asigurare si Reasigurare S.R.L.	659,000	-	105,066	39,160
Prima Medical S.R.L.	1,700,000	159,000	154,892	62,481
Almina Trading S.A.	457,637	-	754,581	72,255
Genesys Medical Clinic S.R.L.	6,731,769	1,900,000	1,232,178	120,963
Micromedica Bacau S.R.L.	-	6,731,769	-	648,285
Spitalul Lotus S.R.L.	359,725	-	642,193	32,288
Biotest Med S.R.L.	-	-	-	297,907
CENTRUL MEDICAL MICROMEDICA SRL	-	468,720	-	4,223
POLICLINICA UNION SRL	1,500,000	-	4,977	-
Stomestet S.A.	1,000,000	-	8,769	-
Solomed Clinic S.A.	3,000,000	-	-	-
<b>Total</b>	<b>15,408,131</b>	<b>9,259,489</b>	<b>2,943,440</b>	<b>1,279,186</b>

No collateral is provided for loan contracts, for the amounts received from related parties and the interest rates range between 2% and 7% for EUR and between 8% and 9% for RON.

#### Loans granted to subsidiaries

	Movement in:			
	Borrowings granted		Reimbursements received	
	2024	2023	2024	2023
Bahtco Invest S.A.	9,415,967	6,047,601	5,939,642	6,955,141
Diamed Center S.R.L.	-	410,000	-	410,000
Ghencea Medical Center S.A.	-	-	-	60,000
ANIMA SPECIALITY MEDICAL SERVICES SRL	-	-	-	394,783
MedLife Ocupational S.R.L.	-	-	125,000	1,585
Policlínica de Diagnostic Rapid S.A.	-	1,224	-	2,650,000
Pharmalife Med S.R.L.	733,270	650,000	733,270	8,718,317
Clinica Polissano S.R.L.	20,850	2,048,199	14,416,118	7,028
RMC Medlife Holding Kft.	3,828,908	755,122	317,303	-
Stem Cells Bank S.A.	4,530,350	4,916,400	30,000	464,000
Sfatul Medicului S.R.L.	-	1,298,000	-	8,446,000
Valdi Medica S.R.L.	8,192,976	8,446,000	10,080,024	-
Badea Medical S.R.L.	140,000	120,000	-	-
MNT Healthcare Europe S.R.L.	1,000,000	1,300,000	1,000,000	-
Sanopass S.A.	-	-	-	12,778,980
Solomed Clinic S.A.	-	3,606,290	-	-
Sweat Concept One S.R.L.	8,073,500	2,390,290	-	-
Centrul de Diagnostic si Tratament Provita S.A.	4,694,920	9,195,630	-	-
Medicis S.A.	1,988,000	-	-	-
Pharmachem Distributie S.A.	7,914,243	-	-	-
Personal Genetics S.A.	2,185,498	-	1,501,559	-
<b>Total</b>	<b>52,718,482</b>	<b>41,184,756</b>	<b>34,142,916</b>	<b>40,885,835</b>

#### Loans obtained from subsidiaries

	Movement in:			
	Borrowings received		Reimbursements paid	
	2024	2023	2024	2023
Med Life Broker de Asigurare si Reasigurare S.R.	500,000	-	-	-
Prima Medical S.R.L.	1,700,000	1,004,000	-	2,269,413
Almina	9,750,000	1,000,000	11,192,359	-
Genesys	-	2,408,769	-	1,000,000
Micromedica Bacau	-	-	-	1,200,000
Lotus	6,725,000	3,740,000	6,365,275	7,224,000
CENTRUL MEDICAL MICROMEDICA SRL	550,000	-	550,000	-
POLICLINICA UNION SRL	1,500,000	-	-	-
SOLOMED CLINIC SA	3,000,000	-	-	-
Stomestet S.A.	1,000,000	-	-	-
Biotest	-	425,000	425,000	-
<b>Total</b>	<b>24,725,000</b>	<b>8,577,769</b>	<b>18,532,634</b>	<b>11,693,413</b>

**Transactions with subsidiaries:**

**Sales and purchases of services**

	Sales		Purchases	
	2024	2023	2024	2023
Policlinica de Diagnostic Rapid S.A.	5,301,649	5,023,841	7,352,070	7,124,071
Policlinica de Diagnostic Rapid Medis S.R.L.	323,938	306,503	92,585	101,940
Bahtco Invest S.R.L.	-	-	16,045,637	16,828,005
Genesys Medical S.R.L.	4,280,265	3,332,912	3,591,389	3,522,767
Biotest Med S.R.L.	1,389,930	1,389,881	2,021,667	2,430,699
Centrul Medical Sama S.A.	1,079,691	1,002,300	2,348,644	2,738,434
Ultratest Craiova S.A.	-	688	-	-
Prima Medical S.R.L.	-	-	73,710	61,908
Diamed Center S.R.L.	-	166,619	-	228,417
Aspen Laborator Dentar S.R.L.	6,056	4,268	-	33,590
Almina Trading S.A.	1,801,030	1,535,149	1,048,833	731,781
Centrul Medical Panduri S.A.	638,921	584,785	5,287,328	4,119,219
Dentestet 4 Kids S.R.L.	15,075	17,633	-	-
Dent Estet Clinic S.A.	93,261	108,640	903,261	624,016
Green Dental S.R.L.	5,345	2,931	-	-
Clinica Polisano S.R.L.	1,614,589	1,300,355	1,582,073	1,765,663
Solomed Clinic S.A.	690,751	621,285	963,392	888,469
Anima Speciality Medical Services S.R.L.	785,124	398,350	2,583,681	2,431,436
Stem Cells Bank S.A.	927,081	1,026,813	-	-
Valdi Medica S.A.	986,943	713,171	198,162	191,461
Sfatul Medicului S.R.L.	8,507	8,910	125,529	99,405
Pharmalife Med S.R.L.	6,191	-	275,411	289,831
Centrul Medical Micromedica S.R.L.	260,958	218,440	1,340,141	1,457,691
Onco Team Diagnostic S.R.L.	6,507	8,190	4,802,519	3,841,300
Spital Lotus S.R.L.	1,932,706	1,863,815	370,241	418,383
Centrul Medical Matei Basarab S.R.L.	-	82,595	-	-
Dent Estet Ploiesti S.R.L.	12,303	7,463	-	-
CED Pharma S.R.L.	-	5,238	-	2,091
Leti Farm 2000 S.R.L.	-	1,033	-	492
Monix Pharm S.R.L.	-	861	-	-
KronDent S.R.L.	11,507	12,204	-	-
Costea Digital Dental S.R.L.	10,043	11,580	-	-
Pharmachem Distributie S.R.L.	49,811	53,300	6,035,052	5,088,903
SC M-Profilaxis S.R.L.	494,465	301,758	-	144,121
Badea Medical S.R.L.	2,169	-	236,572	148,772
Micromedica Roman S.R.L.	-	-	6,560	-
Centrul Medical Antares S.R.L.	-	-	5,301	-
Transilvania Imagistica S.A.	-	-	-	90,729
Histo S.R.L.	-	-	97,429	92,111
Tomorad Expert S.R.L.	-	-	1,765	3,073
Centrul de Diagnostic si Tratament Provita S.A.	-	4,050	471,073	314,213
Dent Estet Genesys S.R.L.	5,905	4,160	-	-
Medici's S.R.L.	911,060	491,526	192,482	111,175
Laborator Cuza Voda S.R.L.	560,327	39,991	13,213	-
Muntenia Medical Competences S.A.	-	144,168	-	13,633
MNT Healthcare Europe SRL	1,237,009	132,690	-	-
Triamed S.R.L.	-	-	-	2,950
Sanopass S.A.	147,666	51,835	894,201	14,771
Policlinica Union S.R.L.	552,797	74,749	18,841	26,736
Solomed Plus S.R.L.	1,719	-	273,948	240,056
Provita Pain Clinic S.A.	-	-	50,842	8,717
Onco Card S.R.L.	-	-	57,026	45,120
Medica S.A.	-	-	56,404	10,180
Medicris S.R.L.	-	-	39,876	5,676
Biofarm Farmec S.R.L.	-	-	-	-
Pro Life Clinics S.R.L.	-	-	29,253	127,300
Expert Med Centrul Medical Irina S.R.L.	-	-	18,808	81,619
Stomestet S.R.L.	-	-	56,728	20,862
DIETLIFE FOOD S.R.L.	18,039	2,840	182	-
BLACK SEA MAGIC S.R.L.	-	9,500	-	-
LIFE RESORT S.R.L.	-	-	-	80,115
DR. CRISTESCU I. MIHAELA-GABRIELA	-	-	700,800	700,800
Life Finance G.I.E.	-	-	-	2,988
<b>Total</b>	<b>26,169,338</b>	<b>21,067,020</b>	<b>60,262,626</b>	<b>57,305,689</b>

## 24. TAXATION

	December 31, 2024	December 31, 2023
Current income tax expense	7,497,600	-
Deferred tax income	(613,034)	2,146,900
<b>Total income tax expense / (income)</b>	<b>6,884,566</b>	<b>(2,146,900)</b>
<b>Profit before tax</b>	<b>29,380,897</b>	<b>14,586,903</b>
Tax expense using the statutory rate of 16%	4,700,944	2,333,905
Fiscal effect of non-deductible expenses	958,759	1,495,334
Fiscal effect of non-taxable income	-	(3,920,620)
Sponsorship/other compensation	1,653,604	-
Other elements (including different fiscal treatment)	(428,741)	(2,055,518)
<b>Income tax for the current year</b>	<b>6,884,566</b>	<b>(2,146,900)</b>
Income tax to comprehensive income	-	-
<b>Income tax to profit or loss – Expense / (Income)</b>	<b>6,884,566</b>	<b>(2,146,900)</b>
	December 31, 2024	December 31, 2023
Income tax liabilities as at January 1	97,549	980,993
Income tax paid in the current year	(5,339,059)	(883,444)
Income tax payable in the current year	7,497,600	-
<b>Current tax liabilities</b>	<b>2,256,090</b>	<b>97,549</b>

Components of deferred tax	December 31, 2024	Change in deferred tax	December 31, 2023
<b>Deferred tax assets</b>			
Non-current assets	-	-	-
Amount related to untaken holidays provisions	763,073	316,605	446,468
<b>Total deferred tax asset</b>	<b>763,073</b>	<b>316,605</b>	<b>446,468</b>

Deferred tax liability	December 31, 2024	Change in deferred tax	December 31, 2023
Other elements	104,872	-	104,870
Revaluation reserve	16,951,039	(296,429)	17,247,468
<b>Total deferred tax liability</b>	<b>17,055,911</b>	<b>(296,429)</b>	<b>17,352,338</b>
<b>Net deferred tax liability</b>	<b>16,292,839</b>	<b>(613,034)</b>	<b>16,905,872</b>

Components of deferred tax	December 31, 2023	Change in deferred tax	December 31, 2022
<b>Deferred tax assets</b>			
Non-current assets	-	-	-
Amounts that refer to the provision for untaken holidays	1,258,534	-	1,258,534
<b>Total deferred tax asset</b>	<b>1,258,534</b>	<b>-</b>	<b>1,258,534</b>

Deferred tax liability	December 31, 2023	Change in deferred tax	December 31, 2022
Other elements	104,870	-	104,870
Revaluation reserve	20,206,435	-	20,206,435
<b>Total deferred tax liability</b>	<b>20,311,305</b>	<b>-</b>	<b>20,311,305</b>
<b>Net deferred tax liability</b>	<b>19,052,772</b>	<b>-</b>	<b>19,052,772</b>

The Company accrues income taxes at the rate of 16% on profits computed in accordance with the Romanian tax legislation. The net effect of the change on deferred tax balances recognized as at December 31, 2024, except for the deferred tax related to the revaluation reserve which is recognized in equity, is reflected in the statement of comprehensive income for the year then ended.

## 25. CAPITAL MANAGEMENT

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Company consists of debt, which includes the borrowings disclosed in Note 14, cash and cash equivalents disclosed in Note 8 and equity, comprising issued capital, reserves and retained earnings as disclosed in note 15 and note 16.

The Company's risk management reviews the capital structure regularly. As a part of this review, the management considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the management, the Company will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

The Company is the Parent entity of MedLife Company. The Group has grown in 2024 principally through acquisitions and less through organic development. In expanding organically, the Group is exposed to potential loss of capital if the expansion or new activities do not immediately meet their financial objectives, which also has an impact on Med Life SA.

The Company's objectives have been to balance the cash generation from established business units into higher risk investments in new activities. This has left the equity levels of the Company as a buffer to protect the Company in case of variations in performance that could impact the established activities. The Company has used debt funding for acquisitions of businesses due to the historically low cost of debt funding and availability of liquidity on the financial markets. When assessing the adequacy of the Company's equity for the activities and exposures the Company analyses the ratio of loans payable net of cash to total equity as presented in the following table:

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Interest-bearing loans and borrowings without overdraft	641,688,977	638,998,326
Cash and cash equivalents	15,335,770	10,201,516
Loans payable net of cash	626,353,207	628,796,810
Total Equity	<u>345,657,755</u>	<u>324,240,259</u>
<b>Ratio Loans payables net of cash to total Equity</b>	<b><u>0.55</u></b>	<b><u>0.52</u></b>

The medium-term aim of the Company is to manage this ratio at sustainable levels whilst continuing to invest in new business development and acquisitions to maintain a balanced capital structure between debt and equity.

## 26. RISK MANAGEMENT

The Company's Board of Directors has the overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits.

The Audit Committee is responsible for monitoring and addressing issues concerning the effectiveness and efficiency of the Company's internal controls, regulatory compliance and risk management.

In the course of its business the Company is exposed to a number of financial risks, including credit, interest rate, liquidity and foreign currency risks. This note presents the Company's objectives, policies and processes for managing these risks and methods used to measure risks.

The central treasury function has an important role in managing the Company's financial risks with the aim to control and manage the Company's financial exposure and financial costs with a balance between risk and costs.

### (a) Credit risk

Financial assets that potentially give rise to concentrations of credit risk consist principally of cash, short-term deposits, trade and other receivables and other financial assets, as well as intercompany loans. The Company's cash equivalents and short-term deposits are placed with reputable financial institutions with a high credit rating in Romania.

Trade receivables are represented net of the allowance for expected credit losses. Credit risk with respect to trade receivables is limited due to the large number of customers comprising the Company's customer base, which consists mainly of both individuals and companies. Around 60% of the total sales are cash-based with remaining being based on issuance of invoices. The financial condition of these customers in relation to their credit standing is evaluated on an ongoing basis.

The Company has also developed certain procedures to assess legal entities as customers prior to signing contracts, aimed at providing health care packages (PPMs), and monitoring their ability to meet the payments during the course of contracts. Also, the Company has established an internal Collection department which actively monitors encashments received from customers.

The gross carrying amounts of financial assets (before credit loss allowances) included in the statement of financial position represent the Company's maximum exposure to credit risk in relation to these assets. The Company has only 12% of its sales during 2024 deriving from the treatment of NHIH insured patients (concentration of credit risk) – reliance on major customers.

At 31 December 2024 and 31 December 2023, the Company did not consider there to be a significant concentration of credit risk. Please see Note 7 and Note 23 for further details regarding credit risks of trade and other receivables, loans granted and expected credit loss allowance and Note 3.11.1 Financial assets, for further details of accounting policies used by the Company.

**(b) Interest rate risk**

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Company is exposed to interest rate risk because it borrows funds at floating interest rates. The higher risk is represented by funds borrowed in the national currency, because the interest rates are periodically repriced based on index variation.

Lease contracts concluded in the national currency are also exposed due to the above repricing process, as the discount rate in this case is linked to the internal borrowing rates for funds withdrawn in the national currency.

**Interest rate sensitivity analysis**

The sensitivity analysis below has been determined based on the exposure to interest rates for interest bearing financial instruments at the reporting date. Out of the total outstanding balances for both borrowings and leases only the amounts that refers to the Club loan and lease contracts (which refer to rent of buildings, equipment and vehicles) have been considered for the sensitivity on interest rate computation. These amounts which were included in the analysis cover more than 80% of the total outstanding balances for both borrowings and leases.

A 10% percent increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. The assumptions used have not changed from previous years.

Based on historical data, the management of the Company considers a 10% increase in the interest rate as appropriate to be included in the sensitivity analysis performed in relation with interest rate risk measurement. Taking into consideration the value of loans in total and the actual level of the interest rate (as of 31 December 2024), any change with more than 10% is not expected.

According to forecasts available and euribor-rates.eu, the EURIBOR level is predicted to slowly decrease during 2025 (from around 2.5% as of 31 December 2024 to a predicted 2% by mid-2025). This decrease is already supported as of March 2025 when the EURIBOR reached a level of around 2.4%. As a result, the management of the Company does not consider the need of a higher expected increase in interest rate in the sensitivity analysis. Please see Note 14 Net Financial Debt, where the exposure is disclosed to the interest rates.

If interest rates had been 10% per cent higher and all other variables were held constant, the Company's profit for the year ended 31 December 2024 would decrease by RON 3,837,713 RON (2023: decrease with RON 4,589,955). An equal positive variance would occur for a 10% decrease of interest rate. This is mainly attributable to the Company's exposure to interest rates on its borrowings and leases.



**Amounts exposed to interest rate risk**

Amounts exposed to interest rate risk							
LIABILITIES	Total	Out of which included in the sensitivity analysis	%	Interest expenses per year at the current interest rate for the selected portion	Interest expenses per year at the interest rate increased by 10% for the selected portion	Variation that affects the profit and loss account when the interest rate increases by 10%	
2024							
Overdraft	9,948,200						
Short-Term and Long-Term portions of loans	641,688,977	Club loan	637,528,178	98%	38,377,132	42,214,846	3,837,713
Short-Term and Long-Term portions of leases	51,163,349	Contracts that refer to rent of buildings, equipment and vehicles which fall under IFRS 16	46,136,134	90%	2,606,115	2,904,892	298,777
2023							
Overdraft	9,949,200						
Short-Term and Long-Term portions of loans	638,998,326	Club loan	635,141,580	98%	33,100,550	36,410,605	3,310,055
Short-Term and Long-Term portions of leases	55,529,355	Contracts that refer to rent of buildings, equipment and vehicles which fall under IFRS 16	47,806,393	86%	2,421,187	3,661,052	1,239,865
	<b>December 31, 2024</b>	<b>December 31, 2023</b>					
Profit or loss and Equity	4,136,491	4,549,920					

**(c) Liquidity risk**

Ultimate responsibility for liquidity risk management rests with the executive committee, which has built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Loans granted to related parties are not used to manage liquidity risk of the Company.

Liquidity risk refers to the risk that a Group may also not be able to meet its short-term financial obligations due to insufficient liquid assets. One key metric for assessing liquidity risk is the Current Ratio, followed by Operating Cash Flow Ratio, which are presented below.

**Current ratio**

	December 31, 2024	December 31, 2023
Current assets	346,672,770	301,880,201
Current liabilities	346,074,077	267,965,804
Total equity to loans payable (without overdraft) net of cash	<b>1.00</b>	<b>1.13</b>

The current ratio is a vital starting point for assessing liquidity risk, but not sufficient. As the Current ratio is above 1, with a slight decrease in 2024, this indicates a good level of liquidity risk.

Given the Company's underlying operating cash flows, its relationships with its banking counterparties, with multiple refinancing or increase in facility arrangements performed in the recent years and the financial strength, the Company does not expect any obstacles to fulfill its financial obligations on short term. Increase in Cash and cash equivalents with 50% in 2024 compared with 2023, along with the undrawn facilities ensures sufficient liquidity for the next period.

The following table details the Company's remaining contractual maturity for financial liabilities as of December 31, 2024 and December 31, 2023. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

<b>2024</b>									
	Weighted average effective interest rate	Carrying amount	Total	Year 1	Year 2	Year 3	Year 4	Year 5	> Year 5
<b>Non-interest bearing instruments</b>									
Trade payables		207,442,240	207,442,240	207,442,240	-	-	-	-	-
<b>Interest bearing instruments</b>									
Overdraft		9,948,200	9,948,200	9,948,200	-	-	-	-	-
Club Loan	EURIBOR 6M / ROBOR 6M + margin	641,688,977	757,105,488	110,598,073	82,565,654	87,858,030	124,595,200	351,488,531	-
Lease contracts		51,163,349	54,858,928	24,548,712	13,637,633	8,690,069	6,190,069	1,792,445	-
<b>Total</b>		<b>910,242,766</b>	<b>1,029,354,857</b>	<b>352,537,226</b>	<b>96,203,286</b>	<b>96,548,099</b>	<b>130,785,269</b>	<b>353,280,976</b>	<b>-</b>

<b>2023</b>									
	Weighted average effective interest rate	Carrying amount	Total	Year 1	Year 2	Year 3	Year 4	Year 5	> Year 5
<b>Non-interest bearing instruments</b>									
Trade payables		160,343,456	160,343,456	160,343,456	-	-	-	-	-
<b>Interest bearing instruments</b>									
Overdraft		9,949,200	9,949,200	9,949,200	-	-	-	-	-
Club Loan	EURIBOR 6M / ROBOR 6M + margin	638,998,326	813,581,223	79,433,224	112,189,812	82,708,765	87,382,023	120,709,228	331,158,170
Lease contracts		55,529,355	59,393,369	25,292,634	15,261,828	8,145,504	5,504,406	4,469,790	719,206
<b>Total</b>		<b>864,820,337</b>	<b>1,043,267,248</b>	<b>275,018,514</b>	<b>127,451,640</b>	<b>90,854,269</b>	<b>92,886,429</b>	<b>125,179,019</b>	<b>331,877,376</b>

**(d) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

<b>2024</b>	<b>RON</b>	<b>1 EUR = 4.9741 RON</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	15,309,969	25,801	15,335,770
Trade receivables	97,162,994	-	97,162,994
Receivables from group companies	174,365,410	17,277,161	191,642,571
Long-term loans to group companies	-	14,722,878	14,722,878
Other long term receivables	2,210,065	-	2,210,065
<b>LIABILITIES</b>			
Trade payables	207,442,240	-	207,442,240
Overdraft	-	9,948,200	9,948,200
Other long term debt	-	-	-
Short-Term and Long-Term portions of loans	-	641,688,977	641,688,977
Short-Term and Long-Term portions of financial leasing	361,432	50,801,917	51,163,349
Payables to group companies	18,351,571	-	18,351,571
<b>2023</b>	<b>RON</b>	<b>1 EUR = 4.9746 RON</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	9,416,793	784,723	10,201,516
Trade receivables	87,202,024	-	87,202,024
Receivables from group companies	148,694,706	13,053,110	161,747,816
Long-term loans to group companies	-	13,973,722	13,973,722
Other long term receivables	1,851,958	-	1,851,958
<b>LIABILITIES</b>			
Trade payables	160,343,456	-	160,343,456
Overdraft	-	9,949,200	9,949,200
Other long term debt	-	-	-
Short-Term and Long-Term portions of loans	-	638,998,326	638,998,326
Short-Term and Long-Term portions of financial leasing	479,350	55,050,005	55,529,355
Payables to group companies	10,538,675	-	10,538,675

The Company is mainly exposed in respect of the exchange rate of the RON versus EUR. The below table details the Company's sensitivity to a 10% increase and decrease in RON against EUR. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates.

If EUR is weakening 10% against RON, the profit will increase and the amount stated below will be positive. For a 10% strengthening of EUR against RON there would be an equal and opposite impact on the profit, and the balances below would be negative. The assumptions used have not changed from previous years. The variation below is presented as absolute amounts.

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Profit or loss	66,967,201	67,618,598

## **(e) Sustainability**

**MedLife, as ultimate parent of the Group, identifies two major categories of climate-related risks: physical risks and transition risks.** Acute physical risks include extreme weather events such as heatwaves, storms, floods, and wildfires. Chronic risks refer to long-term climate changes that impact temperature, precipitation, and environmental conditions. These can generate cumulative effects on public health, medical infrastructure, and the financial and material resources needed for the healthcare system to function effectively.

The Group is exposed to the following **transition risks**: European and national climate regulations that impose strict standards for energy efficiency and emissions reduction, with a direct cost impact; technological transition, which requires significant investments in efficient equipment and digitalization; changing preferences of consumers and investors toward sustainable providers, which may affect competitiveness; rising energy prices and carbon taxes (ETS2), which increase financial pressure; and wastewater treatment regulations (UWWTD), which may indirectly impact the availability of essential medicines.

**As at 31 December 2024, the Company does not consider that these risks will have a material financial impact in the near term.**

Starting with 2024, the Company calculated its first carbon footprint and initiated a comprehensive analysis of the factors influencing its environmental impact. Although MedLife did not yet have a dedicated formal action plan aimed at reducing its carbon footprint and strengthening climate resilience, certain initiatives with these objectives—direct or indirect—had already been implemented in previous years.

The carbon footprint analysis included emissions across all three categories in line with international standards:

- **Scope 1 (6,189.7 tCO<sub>2</sub>e)** covers direct emissions from the Group's activities, including fuels used by company-operated vehicles or generators, natural gas consumption for company facilities, and fugitive emissions from cooling equipment refrigerants.
- **Scope 2 (3,486.5 tCO<sub>2</sub>e, market-based)** refers to indirect emissions from purchased energy, including both electricity and thermal energy, with electricity being the dominant source.
- **Scope 3**, with the highest share at **178,220.7 tCO<sub>2</sub>e**, covers indirect emissions across the company's value chain. This includes categories such as purchased goods and services, capital goods, upstream transport and distribution, employee commuting, waste generated in operations, business travel, leased assets (both upstream and downstream), end-of-life treatment of products, and fuel- and energy-related activities. For some categories, a breakdown was made between **upstream activities** (from suppliers to the company) and **downstream activities** (from the company to clients).

For more detailed information on the main sustainability impacts, risks and opportunities, as well as related policies, actions, indicators and targets, we invite you to consult the **Group's Sustainability Statement**, which will be included in the **Annual Report**.

## **(f) Ongoing war**

The crisis started in February 2022 and was generated by the invasion of Russia in Ukraine, which led to a sharp increase in energy prices, both in Romania and in other European countries. The invasion created a refugee crisis with the fastest growth in Europe. At the same time, at the regional level, a resource crisis was created due to the imposition of a series of restrictions on the international level, Russia being an important player in the natural gas market in Europe.

The Company does not own subsidiaries and affiliated entities on the territory of Ukraine, nor does it have any other relevant exposures in the countries directly involved in this conflict. From an operational point of view, the purchases of energy and natural gas are mainly made from the domestic market; availability, provenance and delivery of resources could be influenced by the dynamics of the conflict from region.

The consequences of the ongoing conflict in Ukraine, the European energy crisis and resulting regulatory measures and other economic disruptions currently being observed, and further regulatory interventions, as well as the extent and duration of their economic impact cannot be reliably estimated at this stage. The Company is responding to the situation with targeted measures to safeguard its economic stability. Because events are ongoing, the long-term impact can affect cash flows and profitability. However, at the date of these financial statements, the geopolitical context driven by the ongoing conflict in Ukraine has no significant negative impact on the separate financial statements as of December 31, 2024.

**(g) Macroeconomic environment**

The economic context at national and international level that may negatively influence the Company's activity refer to factors such as: inflation, recession, changes in fiscal and monetary policy, tighter lending, higher interest rates, new or rising tariffs, currency fluctuations, raw material price (electricity, natural gas), etc. In 2024, Romania's macroeconomic environment experienced notable shifts compared to 2023, marked by changes in GDP growth, inflation, and unemployment rates.

**GDP Growth:** Romania's real GDP growth decelerated to approximately 1.4% in 2024, down from 2.1% in 2023. This slowdown was primarily due to subdued export performance and a significant current account deficit. However, private consumption remained robust, bolstered by rising disposable incomes and EU-financed investments.

**Inflation:** Inflationary pressures persisted in 2024, contributing to the deceleration of economic growth. The government implemented budget cuts and froze public sector pay and pensions in an effort to reduce the budget deficit and address high inflation.

**Unemployment Rate:** Romania's labor market faced challenges amid fiscal austerity measures. Protests from state railway and power grid workers over job and pay cuts indicate labor market tensions during this period. All in all, 2024 presented economic challenges for Romania, including slowed GDP growth, persistent inflation, and labor market unrest, necessitating structural reforms to stabilize and rejuvenate the economy.

Notably, the healthcare sector has demonstrated considerable resilience to market turbulences. This resilience is attributed to the constant demand for healthcare services, the sector's ability to adapt to changing environments, and strategic investments in technology and infrastructure. This resilience translates into a relatively stable operational and financial outlook, even in the face of economic uncertainties.

Also, the revaluation process held at the end of 2022 on all owned Land and Buildings, which generated an overall surplus at the Group level, brings sufficient confidence over the value of the assets held, being stated at their current fair value less accumulated depreciation in these separate financial statements.

The Company revises quarterly its sensitivities to interest rates and foreign currency fluctuations. At the date of these financial statements, the Group considers that the impact of these changes would not affect the ability as a going concern, with appropriate measures undertaken in order to reduce any potential risks.

**27. FAIR VALUE OF FINANCIAL INSTRUMENTS**

Financial instruments in the statement of financial position include trade receivables and other receivables, cash and cash equivalents, short-term and long-term loans and trade and other payables. These are presented at amortised cost. The estimated fair values of these instruments approximate their carrying amounts, largely due to the short-term maturities of these instruments, except for loans.

The carrying amount of loans approximate their fair value considering the two renegotiations of the syndicated loan signed in 2024 in 2025, in which all the credit facilities were re-arranged in terms of both maturities and interest rates. The syndicated loan covers around 88% of the total Company debt position exposure.

**Financial instruments that are not held at fair value**

At level 1 of the fair value hierarchy, the Company classified cash and cash equivalents as assets that are not held at fair value.

At level 3 of the fair value hierarchy, the Company classified in the category of assets: trade and other receivables, other financial assets, and in the category of debt: loans from banks and other financial institutions, leasing debts, trade payables and other financial liabilities.

The following table shows the fair value and the fair value hierarchy for assets and liabilities that are not measured at fair value in the statement of financial position as at 31 December 2024:

ASSETS	Classification under IFRS 9	Carrying amount	Fair value	Level 1	Level 2	Level 3
Cash and cash equivalents	Amortized cost	15,335,770	15,335,770	15,335,770	-	-
Trade Receivables	Amortized cost	97,162,994	97,162,994	-	-	97,162,994
Other financial assets	Amortized cost	16,932,943	16,932,943	-	-	16,932,943
<b>LIABILITIES</b>						
Trade and other payables	Amortized cost	207,442,240	207,442,240	-	-	207,442,240
Overdraft	Amortized cost	9,948,200	9,948,200	-	-	9,948,200
Other long term debt	Amortized cost	-	-	-	-	-
Lease liability	Amortized cost	51,163,349	51,163,349	-	-	51,163,349
Long term debt	Amortized cost	641,688,977	641,688,977	-	-	641,688,977

In March 2025 (please refer to Note 31) the Company has negotiated with Banca Comercială Română S.A., as Arranger, Agent and Lender and with other credit institutions that are syndicate members acting as Lenders, the terms and conditions of extending the credit limit by an additional amount of up to EUR 50 million. According to the new terms negotiated between the parties, the financing period was prolonged with 2 years and the interest rate margin remained the same. Therefore, the Company considers that the fair value of Long term debt is similar with the carrying amount.

## 28. FAIR VALUE OF NON-FINANCIAL ASSETS

### Fair value hierarchy

This note explains the judgements and estimates made in determining the fair values of the non-financial assets that are recognized and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its non-financial assets into the three levels prescribed under the international financial reporting standards. An explanation of each level is provided in note 3.21. According to the Company's last valuation report prepared in 2022, please see below the fair value measured using level 3.

31 December 2022	Note	Level 1	Level 2	Level 3
Land and buildings	5	-	-	222,570,260

## 29. COMMITMENTS AND CONTINGENCIES

Contingent liabilities are not recognized in the separate financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is probable. A contingent asset is not recognized in the separate financial statements but disclosed when an inflow of economic benefits is probable. The assessment of contingencies inherently involves the exercise of judgment and estimates of the outcome of future events.

### Club loan related commitments

Med Life SA shall not enter into any agreement which will amend, novate, modify or vary the provisions of Med Life's Shareholders' Agreement without the prior written consent of the lenders.

### Other commitments

As at December 31, 2024 and December 31, 2023, the Company holds insurance policies to cover possible liabilities towards doctors for malpractice as well as insurance contracts related to buildings and medical equipment.

In conformity with the concluded agreement with the National House of Health Insurance, the Company has to provide primary medical services to National House's insured citizens.

BCR issued letters of warranties in the favour of Med Life S.A. in amount of RON 13,403,333, out of which EUR 1,866,471 as of December 31, 2024 (December 31, 2023: RON 6,774,165, out of which EUR 61,309).

### Fiscal environment

The taxation system in Romania is still developing and is subject to various interpretations and constant changes, which may sometimes be retroactive. Although the actual tax due for a transaction may be minimum, delay interests may be significant, as they can be calculated at the value of the transaction and at a rate of 0.02% per day (interest) and 0.01% (penalties) per day.

In Romania the statute of limitation for tax controls (audits) is of 5 years. During 2021, the Company had a tax control which covered period from 2016 to 2020. The control was finalised during 2021 and the results were booked in accounting. Management believes that the tax obligations included in these financial statements are adequate.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

### **Transfer pricing**

The fiscal legislation from Romania includes the "market value" principle, according to which the transactions between related parties have to be performed at the market value. The local tax payers, who carry transactions with related parties, have to prepare and make available to the tax authorities from Romania, at their written request, the transfer pricing documentation file. If the companies do not prepare the documentation or they present an incomplete transfer pricing file, the fiscal authorities may have a different interpretation of the transactions and the circumstances compared to the management's assessment and, as a result, they may impose additional fiscal obligations as a result of adjusting transfer prices. The management of the Company is confident that, if required, they will submit the necessary information in due time to the fiscal authorities. Transactions with related parties and company companies are carried out on the basis of the market value principle.

### **Litigation**

The Company is involved in various litigations as part of normal course of business. Management has assessed the legal status together with the Company's legal advisors and all necessary adjustments have been recorded in the separate financial statements.

## **30. FEES TO AUDITORS**

Starting with 2024, the auditor of the Company is Deloitte Audit SRL.

The fee for the audit services of the consolidated financial statements as of December 31, 2024 of the Group prepared in accordance with IFRS as adopted by EU and the separate financial statements as of December 31, 2024 of Med Life SA prepared in accordance with IFRS in line with the provisions of Ministry of Finance Order number 2844/2016, as well as the audit services of the other separate financial statements of subsidiaries prepared in accordance with the provisions of Ministry of Finance Order number 1802/2014 was EUR 356,180 excluding VAT and other expenses.

The fee for other non-audit services performed in 2024 was EUR 64,000 excluding VAT.

## **31. EVENTS AFTER THE BALANCE SHEET DATE**

### **Increase in loan facilities**

On February 13th, 2025, the Convening Notice for the Extraordinary and Ordinary General Meetings of Shareholders (EGSM & OGSM) scheduled for March 18 /19, 2025 was published. The main points subject to MedLife shareholders' approval were:

- Extension of the credit limit by an additional amount of up to EUR 50 million, with the possibility of adding an additional "Accordion Facility" of up to EUR 25 million;
- The shareholders registered in the shareholders' register kept by Depozitarul Central S.A., at the end of March 6, 2025, established as the Reference Date for the EGMS and OGMS, have the right to vote in the GSM.
- On 25 March 2025, the Group has signed for the increase in facility of the syndicated loan contract, which will be used for possible new acquisition opportunities on the market as well as organic development projects.

### **Routine Med acquisition**

In October 2024, MedLife announced the acquisition of a 60% majority stake in the Routine Med Group from Tulcea. The Routine Med Group owns a healthcare facility equipped with an operating room, a unit with day and continuous hospitalization and an outpatient unit, and offers over 20 medical and surgical specialties, including dentistry and optical services. The hospital and outpatient services are complemented by laboratory and medical imaging services. According to company representatives, Routine Med's revenue in 2023 exceeded RON 15 million. Through this acquisition, MedLife expands its national footprint in the southeastern region of Romania. Control is gained in January 2025.

### **All Clinic acquisition**

In March 2025, MedLife, Romania's largest private medical services network, announced the acquisition of a majority stake in All Clinic, a private healthcare provider in the Republic of Moldova. Established in 1999, All Clinic operates three multidisciplinary clinics under contract with the National Health Insurance House of Moldova. These clinics offer outpatient services across 20 medical specialties, including family medicine, ENT, pediatrics, gastroenterology, cardiology, neurology, and gynecology. In the previous year, All Clinic reported a turnover of EUR 800,000 with a double-digit EBITDA margin. This strategic move marks MedLife's second international expansion, following its 2019 acquisition of a majority stake in Hungary's Rózsakert Medical Center, and reinforces its position as a leading private healthcare operator in the region.

There were no other significant events subsequent to December 31, 2024.

*These financial statements, comprising the separate statement of financial position, the separate statement of comprehensive income, the separate statement of changes in equity, the separate statement of cash flows and notes, were approved on March 28, 2025.*

**Mihail Marcu,**  
CEO

**Alina Irinoiu,**  
CFO





### **Declaration of management of Med Life S.A.**

We confirm that, to the best of our knowledge, the Audited Annual Separate Financial Statements of Med Life S.A. (the Company) for the 12-month period ended December 31, 2024, 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, 2024, 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



**MED LIFE GROUP**

**PRO FORMA FINANCIAL INFORMATION  
FOR THE 12 MONTHS PERIOD ENDED  
31 DECEMBER 2024**



## **CONSOLIDATED PRO-FORMA FINANCIAL INFORMATION FOR THE 12 MONTHS PERIOD ENDED 31 DECEMBER 2024 ("CONSOLIDATED PRO-FORMA PROFIT & LOSS")**

### **Introduction**

The following Consolidated Pro Forma Profit & Loss of the Consolidated Profit & Loss is based on the Group's Audited Consolidated Financial Statements for the 12 months period ended December 31, 2024, adjusted with the historical financial results of the companies acquired by the Group during the period from January 1, 2024 up to December 31, 2024 (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, 2024 transposes:

- (i) the acquisition of the Acquired Companies as if the acquisition had occurred on 1 January 2024 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 Group'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, 2024.

The Consolidated Pro Forma Profit & Loss should be read in conjunction with the Audited Consolidated Financial Statements for the 12 months period ended December 31, 2024.

### **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 2024; and
- (ii) the elimination of certain non-operational and/or non-recurring expenses to provide an estimate of the Group's recurring EBITDA.

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

Although the Consolidated Balance Sheet in the Consolidated Financial Statements include the full amount of debt incurred to finance the acquisitions completed as of December 31, 2024, the Consolidated Profit & Loss includes only a part of the annual revenues of the Acquired Companies.

Using the consolidated pro forma 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.

In the 12 months period ended 31 December 2024 the Company made the following acquisitions in pursuit of a consolidation strategy aimed at complementing the Group's service offering, expanding its national footprint and consolidating its market position (as detailed in 2024 Annual Report):

- Acquisition of 100% of the shares of Provita 2000 Medical Center (under the Sfanta Maria umbrella);
- Acquisition of 100% of the shares of Personal Genetics;
- Acquisition of 56% of the shares of Med Varix (under the Medici's umbrella);
- Acquisition of 100% of the shares of Antares Medical Center (under the Micromedica umbrella);
- Acquisition of 80.33% of the shares of the Euromedica Group (Euromedic Hospital and Euromedic Administrator) (under the Polisano umbrella);
- Acquisition of 100% of the shares of VP-MED (under the Genesys umbrella);
- Acquisition of an additional 37% of the shares of Sanopass;
- Acquisition of an additional 18% of the shares of Pro Life Clinics;
- Acquisition of an additional 20% stake in M-Profilaxis.

### Consolidated Pro-Forma Profit & Loss

	12 months ended December 31, 2024			
	Consolidated Financial statements	Normalisation	One off costs	Pro-forma
<b>GROSS SALES</b>	<b>2,715,574,711</b>	<b>44,946,349</b>	-	<b>2,760,521,060</b>
<b>NET SALES *</b>	<b>2,715,574,711</b>	<b>(154,808,504)</b>	-	<b>2,560,766,207</b>
Other operating revenues	8,850,263	1,237,223	-	10,087,486
<b>OPERATING INCOME</b>	<b>2,724,424,974</b>	<b>(153,571,281)</b>	-	<b>2,570,853,693</b>
<b>OPERATING EXPENSES</b>	<b>(2,584,016,603)</b>	<b>158,591,257</b>	<b>13,043,175</b>	<b>(2,412,382,171)</b>
<b>OPERATING PROFIT</b>	<b>140,408,371</b>	<b>5,019,976</b>	<b>13,043,175</b>	<b>158,471,522</b>
Finance cost	(102,630,990)	(879,613)	-	(103,510,603)
Interest income	2,175,920	-	-	2,175,920
Other financial income	462,070	-	-	462,070
Other financial expenses	(1,346,241)	12,469	-	(1,333,772)
<b>FINANCIAL RESULT</b>	<b>(101,339,241)</b>	<b>(867,145)</b>	-	<b>(102,206,386)</b>
<b>RESULT BEFORE TAXES</b>	<b>39,069,130</b>	<b>4,152,832</b>	<b>13,043,175</b>	<b>56,265,137</b>
Income tax expense	(22,316,702)	(555,515)	(2,086,908)	(24,959,125)
<b>NET RESULT</b>	<b>16,752,428</b>	<b>3,597,317</b>	<b>10,956,267</b>	<b>31,306,012</b>

\* Net turnover presents the Group's turnover without the National Health Program - Oncology.

## From Net Result to Pro-forma EBITDA

	12 months ended December 31, 2024			
	Consolidated Financial statements	Normalisation	One off costs	Pro-forma
<b>Net result</b>	<b>16,752,428</b>	<b>3,597,317</b>	<b>10,956,267</b>	<b>31,306,012</b>
Add back:				
<b>Taxes on income:</b>	<b>22,316,702</b>	<b>555,515</b>	<b>2,086,908</b>	<b>24,959,125</b>
<i>Out of which:</i>				
Base tax expense	22,316,702	555,515	-	22,872,217
One off impact	-	-	2,086,908	2,086,908
<b>Net financial result</b>	<b>101,339,241</b>	<b>867,145</b>	<b>-</b>	<b>102,206,386</b>
<b>Depreciation, amortisation and impairment, including write-ups</b>	<b>254,592,721</b>	<b>2,601,802</b>	<b>-</b>	<b>257,194,523</b>
<b>Adjusted EBITDA</b>	<b>395,001,092</b>	<b>7,621,778</b>	<b>13,043,175</b>	<b>415,666,045</b>

## Sales split by Business Line

	12 months ended December 31, 2024			
	Consolidated Financial statements	Normalisation	One off costs	Pro-forma
Clinics	1,022,354,056	(39,804,924)	-	982,549,132
Stomatology	125,518,088		-	125,518,088
Laboratories	295,352,374	7,738,514	-	303,090,888
Corporate	296,968,035		-	296,968,035
Hospitals	661,486,735	(122,742,094)	-	538,744,641
Pharmacies	69,239,459		-	69,239,459
Other	244,655,964		-	244,655,964
<b>Total Sales</b>	<b>2,715,574,711</b>	<b>(154,808,504)</b>	<b>-</b>	<b>2,560,766,207</b>

The negative amounts are the due to the elimination of the amounts from National Healthcare Program for Oncology in total amount of 200 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, 2024 has been prepared starting from the Consolidated Profit & Loss of the Group as of December 31, 2024.

The Consolidated Pro Forma Profit & Loss was prepared in a manner consistent with the accounting policies adopted by the Group in the Consolidated Financial Statements as of December 31, 2024.

The Consolidated Pro Forma Profit & Loss for the 12 months ended December 31, 2024 gives effect to the acquisitions of the Acquired Companies as if the acquisitions had occurred on January 1st, 2024.

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, 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:

Entity	Date of obtaining control	Months included in Normalization (inclusive) 1 January – 31 December 2024
Personal Genetics SRL	May 2024	January – April 2024
Med Varix SRL	June 2024	January – May 2024
VP-MED Kereskedelmi és Szolgáltató Korlátolt Felelősségű Társaság	October 2024	January – September 2024
Euromedica Hospital SA și Euromedica Administrator SA	October 2024	January – September 2024
Centrul Medical Antares SRL	October 2024	January – September 2024

- One off adjustments**

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 of development units for the period before opening of these units. In addition, costs incurred with the acquisition of companies which were expensed rather than capitalized as part of the acquisition cost of the company are also included in one-off adjustments, as well as other one-off expenses which are not recurrent for the Group.

The one-off expenses are presented below:

Type of Expense	Amount for 12 months 2024	Note
Cost of Acquisitions	1,765,635	Note A
Other costs	6,322,777	Note B
Consultancy costs	4,954,763	Note C
<b>Total</b>	<b>13,043,175</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 (Sweat, Medici's and Sama).

**Note C**

Includes consultancy costs related to one-off projects.



## **DIVIDEND POLICY**

The shares held by the Company's shareholders, other than the Company's own shares, carry equal and full rights with respect to dividends.

The Company's financial year begins on January 1 and ends on December 31. According to the Companies Law, dividends may be distributed only if the Company records a profit, optionally quarterly based on the interim financial statements and annually, after the regularization carried out through the annual financial statements, approved by the General Meeting of Shareholders. The Company's profit after payment of the profit tax will be distributed according to the decision of the general meeting of shareholders. The Company is obliged to establish reserves and other funds provided for by applicable laws.

The General Meeting of Shareholders of the Company is free to decide on the distribution of dividends, based on the proposal of the Board of Directors. In the event of a non-proposal by the Board of Directors, shareholders who individually or jointly hold at least 5% of the voting rights in the Company may also request the addition of a new item to the agenda of the meeting regarding the distribution of dividends, specifying the distribution quota. Dividends may be distributed only from the profit determined in accordance with the law, in proportion to the participation quota in the paid-up share capital, optionally quarterly based on the interim financial statements and annually, after the regularization carried out through the annual financial statements.

The General Meetings of Shareholders, which approve the annual financial statements, also establish the gross value of the dividend per share, as well as the payment process. According to Law 24/2017 on issuers of financial instruments and market operations, the General Meeting of Shareholders that approves the distribution of dividends must also decide on the date on which the dividends will be effectively paid to shareholders. This date shall not be set later than 6 months from the date of the General Meeting of Shareholders establishing the dividends. If the General Meeting of Shareholders does not take a decision on the date of payment of dividends, they shall be paid within 30 days from the date of publication of the decision of the General Meeting of Shareholders establishing the dividends in the Official Gazette of Romania, Part IV. Upon the expiry of this period, the Company shall be considered to be in default.

Dividends may optionally be paid quarterly within the term established by the general meeting of shareholders, the regularization of the differences resulting from the distribution of dividends during the year being made through the annual financial statements. Payment of the differences resulting from the regularization is made within 60 days from the date of approval by the General Meeting of Shareholders of the annual financial statements for the financial year ended. Otherwise, the Company or the shareholders, depending on the result of the regularization, owe after this term penalty interest calculated according to the applicable legal provisions, unless the decision of the general meeting of shareholders that approved the financial statements for the financial year ended established a higher interest rate. In the case of partial distribution of dividends among shareholders during a financial year, the annual financial statements will highlight the dividends partially attributed and will regularize the resulting differences accordingly.

Dividends are paid only to shareholders registered in the Company's shareholders' register on the record date, established by the General Meeting of Shareholders that approves the distribution of dividends. The record date must be established at least 10 business days after the date of the General Meeting of Shareholders. Romanian law also provides that the payment date established by the General Meeting of Shareholders must be established so as to be no later than 15 business days after the record date, but no later than six months after the date of the General Meeting of Shareholders that approves the distribution of dividends.

According to the applicable regulations, the Company must publish, before the dividend payment date, a press release, which it shall send to the ASF and the market operator, which shall specify at least (i) the amount of the dividend per share, (ii) the ex-dividend date, (iii) the record date and (iv) the dividend payment date, as approved by the General Meeting of Shareholders, as well as (i) the method of payment of the dividends and (ii) the identification information of the paying agent.

Dividends that are not claimed within three years from the due date of their payment may be retained by the Company.

According to the Companies Law, the distribution of dividends from fictitious profits or from sources that cannot be distributed, during the financial year based on the interim and annual financial statements, based on the annual financial statements, or contrary to what results from them, entails the criminal liability of the administrators, directors, members of the management or supervisory board or the legal representatives of the Company and is punishable by imprisonment from one to 5 years. Also, if the Company finds a loss of net assets, the share capital must be replenished or reduced before any distribution

or distribution of profit can be made. In addition, if the Company records historical losses, it cannot pay dividends until the losses are covered.

**The objective of the Board of Directors is to create value for the Company's shareholders. In order to maintain the current trend of expansion, the Group needs both its internal and external resources. Thus, the Board of Directors, focused on the continued expansion of the Group and its profitability for the benefit of shareholders, intends to propose not to distribute dividends to shareholders, as long as the Group's growth performance is in line with its history.**

In the event that the Board of Directors proposes to distribute dividends in the future, several aspects will have to be taken into account, namely: general business conditions, the financial results of the Group, investment requirements, legal and contractual restrictions on the payment of dividends and any other factors that the Board of Directors may consider relevant. Any part of the profit that is not attributed to the growth plans of the Company or that is not encumbered by contractual, legal or other restrictions will, in principle, be paid in the form of dividends to shareholders, unless it is necessary for any other corporate purpose, including investments in profit growth opportunities.

**STATUS OF COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE OF THE  
BUCHAREST STOCK EXCHANGE (hereinafter referred to as "BVB") VALID FOR  
THE 2024 FINANCIAL YEAR**

**FOR THE COMPANY MED LIFE S.A.**  
(hereinafter referred to as the „Company”)

**SECTION A. RESPONSIBILITIES**

Provisions to be complied with:

1. All companies should have an internal regulation of the Board of Directors (hereinafter referred to as the "Board" or the "BoD") which includes the reference terms / responsibilities of the Board and the key management functions of the Company and which applies, among others, the General principles of this Section of the Corporate Governance Code of BVB.

The MedLife Corporate Governance Statute adopted and published on the Company's website on February 28, 2017 (in the Investor Relations section, Corporate Governance subsection, Corporate Governance Documents), is based on the provisions of the Company's Articles of Incorporation (available on the Company's website in the Investor Relations section, Corporate Governance subsection, Articles of Association), updated with the Decisions of the Board of Directors of November 21 and December 21, 2016, and establishes the responsibilities of the Board and those of the Executive Committee.

MedLife is managed in a unitary system by a Board consisting of 7 members appointed by the ordinary GSM for a 4-year term, with the possibility of being re-elected. The Board is responsible for the management of the Company, acting in the interest of the Company and protecting the general interests of its shareholders by ensuring the sustainable development of the Company. According to the Articles of Association, the Board is responsible for all useful and necessary acts in order to fulfill MedLife's object of activity, including the administration of MedLife's subsidiaries or investments, except for the attributions that are by law assigned to the GSM.

The BoD approved the Internal Regulation of the Board of Directors on February 28, 2017. This document is an internal document. Also, the Board of Directors approved and published on February 28, 2017 on the Company's website, a Code of Ethics and Conduct, a code referred to in the Company's Corporate Governance Statute and which establishes standards of conduct that must be adhered to within MedLife and its subsidiaries at all levels: directors, executives, managers, employees, suppliers and subcontractors or consultants, whether they are employed permanently or temporarily.

2. Provisions on the management of conflicts of interest to be included in the BoD regulation. In any event, Board members must notify the Board of any conflicts of interest that have arisen or may arise and refrain from participating in discussions (including by non-attendance, unless non-appearance would prevent the formation of a quorum) and to vote on a decision on the matter giving rise to the conflict of interests.

The members of the Board of Directors have, according to the law, duties of diligence and loyalty towards the Company, provided for in the Articles of Association of the Company and in the Internal Regulations of the Board of Directors. Provisions for the management of conflicts of interest can be found both in the Code of Ethics and Conduct, and in the Internal Regulations of the BoD mentioned above.

### 3. The Board of Directors must consist of at least five members.

In 2024, the Company's supervisory activity was ensured by 2 Boards of Directors, which carried out their activity in successive periods, according to the mandates granted by the Company's shareholders during the Ordinary General Meetings of Shareholders regarding the appointment of Board members.

Thus, during the period January 1 - December 21, the mandate of the Board members was carried out according to the OGMS Decision no. 1 / December 15, 2020, when the seven members were elected for a 4-year mandate.

Starting with December 22, 2024, the mandate of the Board members is carried out according to the OGMS Decision no. 1 / November 21, 2024, for a period of 4 years, with no changes in the composition of the Board members compared to the previous mandate.

4. The majority of the members of the Board of Directors must not have an executive position. In the case of Premium Category companies, no less than two non-executive members of the Board of Directors must be independent. Each independent member of the Board of Directors must submit a statement at the time of his nomination for election or re-election, as well as when any change in their status occurs, indicating the elements on the basis of which they are considered to be independent from the perspective of their character and judgement and according to the criteria of the Corporate Governance Code of BVB.

MedLife meets this requirement. According to the Company's Articles of Incorporation, the majority of BoD members are non-executive (4 members out of 7), while 3 members are independent. On the occasion of each (re)appointment of a member of the Board, the Company performs an assessment of the members' independence based on the independence criteria provided by the Corporate Governance Code (which are essentially similar to those provided by the Companies Law).

5. Other commitments and relatively permanent professional obligations of a member of the Board, including executive and non-executive offices in the Board of non-profit companies and institutions, must be disclosed to shareholders and potential investors prior to nomination and in the course of their mandates.

MedLife meets this requirement. The biographies of the members of the Board are published on the Company's website, each member having the responsibility to update their professional biography.

6. Any member of the Board of Directors must present to the Board information regarding any relationship with a shareholder who directly or indirectly owns shares representing more than 5% of the total voting rights.

MedLife meets this requirement. The members of the Board have, according to the law, duties of diligence and loyalty towards the Company, provided both in the Company's Articles of Association and in the Internal Regulation of the BoD. The company has implemented internal regulations on how to address conflicts of interest. Between the members of the Board and the Chairman of the Board, who holds more than 5% of the total voting rights, there are professional relationships, but these do not affect and have not affected the position of the BoD members regarding matters decided by the Board.

7. The Company must appoint a Secretary of the Board responsible for supporting the activity of the Board.

MedLife meets this requirement. The company has a General Secretary, a lawyer by profession, who reports, from a functional point of view, to the BoD.

8. The corporate governance statement will inform whether there has been a review of the Board under the leadership of the Chairman, or the Nomination Committee and, if so, will summarize the key actions and changes resulting from it. The company must have a Board evaluation policy / guideline covering the purpose, criteria and frequency of the evaluation process.

MedLife meets this requirement. The company has a self-assessment guide that provides the purpose, criteria and frequency of such an assessment. This guide is an internal document. The BoD carries out a self-evaluation process on an annual basis.

9. The corporate governance statement must contain information on the number of meetings of the Board of Directors and committees during the last year, the participation of directors (in person and in absentia) and a report of the Board of Directors and committees on their activities.

The Company's Executive Committee meets regularly (at least once every two weeks, but usually once a week) and the BoD meets whenever necessary, but at least once every three months. In 2024, there were 15 meetings of the Board and 6 meetings of the Audit Committee. More details on their responsibilities are included in the Annual Report.

10. The corporate governance statement must include information on the exact number of independent members of the Board of Directors.

Out of the 4 non-executive members of the Board of Directors, 3 members are independent.

11. The Board of Directors of the Premium Category companies must establish a nomination committee consisting of non-executive members, that will lead the nomination procedure of new members to the Board and make recommendations to the Board. The majority of the members of the nomination committee must be independent.

MedLife meets this requirement. The Remuneration Committee is made up of 3 non-executive members, 3 of them being independent members.

## **Section B. Risk management system and internal control**

1. The Board must establish an audit committee, in which at least one member must be an independent non-executive director. The majority of members, including the chairperson, must have demonstrated that they have appropriate qualifications relevant to the functions and responsibilities of the committee. At least one member of the audit committee must have proven and appropriate auditing or accounting experience. In the case of Premium Category companies, the audit committee must consist of at least three members and the majority of the members of the audit committee must be independent.

MedLife meets this requirement. MedLife's Articles of Association, in conjunction with the Corporate Governance Statute, provide for the existence of the Audit Committee, its structure, as well as its

responsibilities. The audit committee consists of 3 non-executive members, each of the 3 being an independent member. The Board of Directors approved the Regulations of this committee.

2. The chairperson of the audit committee must be an independent non-executive member.

In February 2022, the Board of Directors elected Ms. Mihăescu Ana-Maria, independent non-executive Board member, as chairperson of the Audit Committee.

3. As part of its responsibilities, the audit committee must carry out an annual assessment of the internal control system.

4. The evaluation must take into account the effectiveness and coverage of the internal audit function, the degree of adequacy of the risk management and internal control reports presented to the Board's audit committee, the promptness and effectiveness with which the executive management resolves the deficiencies or weaknesses identified pursuant to the internal control, and present relevant reports to the attention of the Board.

5. The audit committee must assess conflicts of interest in relation to the company's and its subsidiaries' related party transactions.

6. The audit committee must evaluate the effectiveness of the internal control system and the risk management system.

7. The audit committee must monitor the application of legal standards and generally accepted internal auditing standards. The audit committee must receive and evaluate the reports of the internal audit team.

The BoD established an Audit Committee and approved its Regulations. The audit committee has mainly the following duties:

- to examine and revise the individual and consolidated annual financial statements and the profit distribution proposal;
- to carry out annual evaluations of the internal control system;
- to evaluate the efficiency of the internal control system and the risk management system;
- to monitor the application of legal standards and generally accepted internal audit standards;
- to assess conflicts of interest in related party transactions;
- to analyze and review related party transactions that exceed or may be expected to exceed 5% of the company's net assets in the previous financial year;
- to make recommendations to the Board.

The Internal Audit Department has assessed the effectiveness of the internal control system for MedLife as of the date of this report, and is currently providing consultancy to increase the effectiveness of this system. The evaluation report for the year 2024 was presented to, and discussed by the members of the Audit Committee.

8. Whenever the Code mentions reports or analyzes initiated by the Audit Committee, these must be followed by periodic (at least annual) or ad hoc reports, which must then be submitted to the Board.

The Audit Committee sends to the Board reports on the specific matters assigned to it, as the case may be.



9. No shareholder may be granted preferential treatment over other shareholders in connection with transactions and agreements entered into by the Company with shareholders and their affiliates.

MedLife meets this requirement. The Company adopted a Code of Ethics and Conduct on February 28, 2017, which is available on the Company's website. The company applies equal treatment to all its shareholders.

10. The Board must adopt a policy to ensure that any transaction of the company, with any of the companies with which it has close relations, the value of which is equal to or greater than 5% of the net assets of the company (according to the latest financial report) is approved by the BoD, pursuant to a mandatory audit committee opinion, and fairly disclosed to shareholders and potential investors, to the extent that these transactions fall within the category of events subject to reporting requirements.

The Company has implemented an internal Related Party Transaction Policy, which sets the key principles for reviewing, approving and publishing related party transactions, according to applicable regulations and the Company's corporate documents, including the fact that the Company's transactions with related parties, which exceed or are estimated to exceed, individually or aggregated, an annual value of 5% of the Company's net assets from the previous financial year, must be approved by the Board following their approval by the Executive Committee and based on the opinion of the Audit Committee.

Also, the Company periodically submits reports on transactions with related parties to the Financial Supervision Authority and the Bucharest Stock Exchange. These reports are reviewed semi-annually by the independent financial auditor in accordance with the relevant legislation in force.

11. The internal audit must be carried out by a structurally separate division (the internal audit department) within the company or by hiring an independent third-party entity.

The internal audit is carried out by a separate department within the Company, namely the Internal Audit Department.

12. In order to ensure the fulfillment of the main functions of the internal audit department, the latter must report from a functional standpoint to the BoD through the Audit Committee. For administrative purposes and as part of management's obligations to monitor and reduce risks, it must report directly to the Chief Executive Officer.

The internal audit department reports to the BoD from a functional point of view, through the Audit Committee, and administratively, to the General Manager.

### **Section C. Appropriate reward and incentive**

1. The company must publish on its website the remuneration policy and include in the annual report a statement regarding the implementation of the remuneration policy during the annual period that is the subject of the analysis. The remuneration policy must be formulated in such a way as to allow shareholders to understand the principles and arguments underlying the remuneration of the members of the Board and of the General Director, as well as of the members of the Directorate in dual system. It must describe how the process and decision-making around remuneration is conducted, detail the components of executive leadership remuneration (such as salaries, annual bonuses, long-term stock-based incentives, benefits in kind, pensions and others) and describe the



purpose, principles and assumptions underlying each component (including the general performance criteria related to any form of variable remuneration). In addition, the remuneration policy must specify the duration of the executive director's contract and the notice period provided for in the contract, as well as the possible compensation for dismissal without just cause. The remuneration report must present the implementation of the remuneration policy for the persons identified in the remuneration policy during the annual period under review. Any essential change in the remuneration policy must be published in good time on the company's website.

MedLife meets this requirement. The Remuneration Policy and the Remuneration Report for the year 2024 are available on the Company's website. The Remuneration Report for the financial year 2024 includes the amount of remuneration of the members of the Company's Board of Directors, as well as the members of the Executive Committee and is published on the company's website and subject to a consultative vote at the Company's Annual Ordinary Meeting.

#### **Section D. Adding value through Investor Relations**

1. The company must organize an Investor Relations service - indicating to the general public the person / persons responsible or the organizational unit. Apart from the information required by the legal provisions, the company must include on its website a section dedicated to Investor Relations, in Romanian and English, with all relevant information of interest to investors, including:

1.1. The main corporate governance regulations: the Constitutive Act, the procedures regarding the General Shareholders' Meetings;

1.2. The professional resumes of the members of the Company's management bodies, other professional commitments of the Board members, including executive and non-executive positions in the Boards of Directors in companies or non-profit institutions;

1.3. Current reports and periodical reports (quarterly, half-yearly and annual);

1.4. information regarding General Shareholders' Meetings;

1.5. Information on corporate events;

1.6. The name and contact details of a person who will be able to provide, upon request, relevant information;

1.7. Company presentations (e.g. investor presentations, quarterly results presentations, etc.), financial statements (quarterly, half-yearly, annual), audit reports and annual reports.

MedLife meets this requirement. The Company has both a department dedicated to Investor Relations, which can be contacted at the email address [investors@medlife.ro](mailto:investors@medlife.ro), and a section on its website dedicated to investor relations, both in Romanian (<https://www.medlife.ro/relatia-cu-investitorii>), as well as in English (<https://www.medlife.ro/investor-relations>). This section contains all relevant information of interest to investors and shareholders, including those mentioned above.

2. The Company will have a policy on the annual distribution of dividends or other benefits to shareholders, proposed by the CEO or by the Executive Committee and adopted by the Board, in the form of a set of guidelines that the company intends to follow regarding the distribution of net profit. The principles of the annual distribution policy to shareholders will be published on the company's website.

MedLife meets this requirement. The objective of the Board is to create value for the Company's shareholders. Thus, the Board of Directors, focused on the continued expansion of the Group's

profitability for the benefit of shareholders, proposes not to distribute dividends to shareholders, as long as the Group's growth yield is in line with historical evolution.

The Company's Dividend Policy is detailed in each Annual Report.

3. The Company will adopt a policy regarding forecasts, whether they are made public or not. Forecasts refer to quantified conclusions of studies aimed at establishing the global impact of a number of factors regarding a future period (so-called hypotheses). By its nature, such projection holds a high level of uncertainty, and actual results may differ materially from the forecasts originally presented. The forecast policy will set out the frequency, period covered and content of the forecasts. If published, forecasts may only be included in annual, semi-annual or quarterly reports. The forecast policy will be published on the company's website.

MedLife meets this requirement. The company has implemented a Forecast Policy, which is published on its website, in the Investor Relations section, Corporate Governance subsection, Corporate Governance Documents.

4. The Rules of General Meetings of Shareholders must not limit the participation of shareholders in general meetings and the exercise of their rights. Amendments to the rules will come into force, at the earliest, starting with the next meeting of shareholders.

MedLife meets this requirement. The rules of General Meetings of Shareholders are mentioned in each convening notice, published according to legal requirements, at least 30 days before each meeting. The rules regarding the organization of General Meetings of Shareholders are included in the Procedure for organizing and holding General Meetings of Shareholders, published on the Company's website, in the Investor Relations section, Corporate Governance subsection, Corporate Governance Documents.

5. The external auditors will be present at the General Meeting of Shareholders when their reports are presented during these meetings.

The independent external financial auditors attend the Ordinary General Meeting where the individual and consolidated annual financial statements are subject to approval and their reports are presented.

6. The Board will present to the annual general meeting of shareholders a brief assessment of the internal control and significant risk management systems, as well as opinions on matters subject to the decision of the general meeting.

MedLife meets this requirement. The individual and consolidated annual financial statements present a brief assessment of the internal control and significant risk management systems and are published as documents subject to the approval of the GSM at least 30 days before the date of the GSM meeting.

7. Any specialist, consultant, expert or financial analyst can participate in the shareholders' meeting, based on a prior invitation from the BoD. Accredited journalists may also attend the general meeting of shareholders, with the approval of the Chairman of the Board of Directors.

MedLife meets this requirement. Any specialist, consultant, expert or financial analyst can participate in the GSM based on a prior invitation from the BoD. Accredited journalists can also attend the GSM,

unless the Board's President decides otherwise. These provisions are included in the Procedure for organizing and holding General Meetings of Shareholders, published on the Company's website, in the Investor Relations section, Corporate Governance subsection, Corporate Governance Documents.

8. The quarterly and half-yearly financial reports will include information both in Romanian, as well as in English, regarding the key factors that influence changes in the level of sales, operating profit, net profit and other relevant financial indicators, both from one quarter to another, as well as from one year to another.

MedLife meets this requirement. The quarterly and half-yearly financial reports include information in both Romanian and English regarding the key factors that determine changes in the level of sales, operating profit, net profit and other relevant financial indicators, both from one quarter to another, as well as from one year to another.

9. A company will hold at least two meetings / teleconferences with analysts and investors every year. The information presented on these occasions will be published in the investor relations section of the company's website on the date of the meetings / teleconferences.

MedLife meets this requirement. The company organizes quarterly teleconferences with analysts and investors to present the financial results. The presentations made during the teleconferences are published on the Company's web page.

10. If a company supports different forms of artistic and cultural expression, sports activities, educational or scientific activities and considers that their impact on the innovative nature and competitiveness of the company are part of its mission and development strategy, it will publish the policy regarding his activity in this field.

The Company carries out various activities regarding education, social responsibility, environment and governance, supporting the local communities in which the Company operates. The Company has also implemented a social responsibility code, which can be found on the company's website, in the Investor Relations section, Corporate Governance subsection, Corporate Governance Documents.