



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>

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**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>

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**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.

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**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>

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## 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 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 Pharmalife-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
Policlinica de Diagnostic Rapid S.A.	-	-	1,624	-
Policlinica 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
Policlinica 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 that 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 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 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