

# Preliminary Financial Results 2021



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Therefore, the final results achieved may vary significantly from the forecasts, and the variations may be material.

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# Highlights 12m 2021

- Snapshot
- Key messages 12m 2021
- Outlook

## Snapshot

- Pro-forma consolidated Sales of **RON 1.6 bn** in 2021, increased by **51.6%** compared to 2020;
- IFRS consolidated Sales of **RON 1.4 bn** in 2021, increased by **32.9%** compared to 2020 (24% like to like increase);
- Strong operating performance, in line with the strategy of recent years;
- 20.1% IFRS EBITDA margin (18.9% on a pro-forma basis);
- IFRS EBITDA 1.4x higher compared to 2020 (1.5x on a pro-forma basis);
- Pro-forma EBITDA margin reflects full effect of the acquisitions announced and completed during 2021 + Neolife, which was completed in February & will be consolidated starting with 1<sup>st</sup> of March 2022);
- 7.5% Pro-forma Net Result margin;
- Pro-forma Net Result almost 2 x higher compared to 2020;

## Key messages 12m 2021

- In 2021, MedLife Group continued its dynamic strategy of expansion through acquisitions;
- The Group consolidated its profitability margins despite yet a still pandemic environment;
- Investments were directed towards supporting strategic objectives aimed at research, strengthening the area of radiotherapy and oncology, amplifying the process of digitization and territorial expansion, the budget invested last year exceeding 30 million euros;
- All business lines followed an upward trend in 2021, with notable performances for the division of laboratories, clinics, hospitals, but also for dentistry and pharmacies;
- Overall, last year, MedLife's activity had a strong impact at the level of the entire medical system in Romania, with no less than 14 million services being offered nationwide for analysis, investigation, diagnosis, treatment and surgery;
- Focused on quick access to medical interventions for chronic and acute patients in the context of limiting activity in state hospitals;
- Intense activity was recorded also in the outpatient line of business related to monitoring of chronic pathologies and patients who went through Covid;
- the activity of the corporate division was also consistent and dynamic, being focused on the support offered to large companies, SMEs and start-ups for the safety and health of employees during the pandemic;

## Key messages 12m 2021

- the research area has played an important role during 2021, aggregating investments of over 1 million euros;
- 2021 also marked the consolidation of the oncology services segment after the Group has recently received the Competition Council approval for the acquisition of 50% of the shares of Neolife Romania, the largest transaction carried out by MedLife last year;
- In addition to the partnership with NeoLife, MedLife announced 7 more transactions last year: Veridia (March 2021), Medica Sibiu (May 2021), CED Pharma (July 2021), Pharmachem Distribution (August 2021), Stomestet Group (November 2021), Oradent (December 2021), Irina Medical Center Galați;
- in 2021 we focused on digitizing the patient experience in relation to the interaction that we have. At the B2C level, we have invested in new tools that help patients access anytime and anywhere the entire medical history and even the ability to see them in dynamics or buy products from the shop section - all available in a single app. On the B2B side, we have invested in new digital products that help us in this interaction with the employer, but also with the employee. In addition, we have digitized a lot of internal streams and processes;
- Following the quarterly review announced on Friday, February 18 by FTSE Russell, MedLife will be included in the FTSE Global All Cap indices starting with March 21;

## Operational KPIs – supporting annex for BL evolution and bridge to pro-forma figures

Business line	Info	12m 2020 IFRS	12m 2021 IFRS	%VAR	Share of total IFRS Sales	Pro-forma adj.	12m 2021 Pro-forma	%VAR	Share of total Pro-forma Sales
Clinics	<b>Revenue</b>	<b>307,919,487</b>	<b>407,441,702</b>	<b>32.3%</b>	<b>28.5%</b>	<b>37,961,774</b>	<b>445,403,476</b>	<b>44.6%</b>	<b>27.3%</b>
Clinics	Visits	1,815,055	2,279,580	25.6%					
Clinics	Avg fee	169.6	178.7	5.4%					
Stomatology	<b>Revenue</b>	<b>61,363,524</b>	<b>93,204,531</b>	<b>51.9%</b>	<b>6.5%</b>	<b>12,210,825</b>	<b>105,415,356</b>	<b>71.8%</b>	<b>6.5%</b>
Stomatology	Visits	89,172	154,358	73.1%					
Stomatology	Avg fee	688.1	603.8	-12.2%					
Hospitals	<b>Revenue</b>	<b>251,943,388</b>	<b>317,305,322</b>	<b>25.9%</b>	<b>22.2%</b>	<b>78,223,617</b>	<b>395,528,939</b>	<b>57.0%</b>	<b>24.2%</b>
Hospitals	Patients	82,209	100,230	21.9%					
Hospitals	Avg fee	3,064.7	3,165.8	3.3%					
Laboratories	<b>Revenue</b>	<b>198,519,202</b>	<b>259,970,003</b>	<b>31.0%</b>	<b>18.2%</b>	<b>1,768,877</b>	<b>261,738,880</b>	<b>31.8%</b>	<b>16.0%</b>
Laboratories	Analyses	5,211,645	8,541,036	63.9%					
Laboratories	Avg fee	38.1	30.4	-20.1%					
Corporate	<b>Revenue</b>	<b>198,530,858</b>	<b>206,112,967</b>	<b>3.8%</b>	<b>14.4%</b>	<b>44,240</b>	<b>206,157,207</b>	<b>3.8%</b>	<b>12.6%</b>
Corporate	Subscriptions	738,582	742,739	0.6%					
Corporate	Avg fee	268.8	277.5	3.2%					
Pharmacies	<b>Revenue</b>	<b>44,405,803</b>	<b>59,949,420</b>	<b>35.0%</b>	<b>4.2%</b>	<b>10,742,957</b>	<b>70,692,378</b>	<b>59.2%</b>	<b>4.3%</b>
Pharmacies	Clients	194,838	361,236	85.4%					
Pharmacies	Sales per	227.9	166.0	-27.2%					
Others	<b>Revenue</b>	<b>14,766,088</b>	<b>88,043,200</b>	<b>496.3%</b>	<b>6.1%</b>	<b>59,901,706</b>	<b>147,944,907</b>	<b>901.9%</b>	<b>9.1%</b>
<b>Total</b>		<b>1,077,448,351</b>	<b>1,432,027,145</b>	<b>32.9%</b>	<b>100.0%</b>	<b>200,853,998</b>	<b>1,632,881,143</b>	<b>51.6%</b>	<b>100.0%</b>

On a pro-forma basis, Clinics remain the main sales unit of the group, with 27% share of total pro-forma consolidated Sales, followed by Hospitals with 24% (which also reflect NeoLife acquisition) and Laboratories with 16%.

\* Others business line includes Pharmachem Distributie, pharmaceutical distribution company with a network of warehouses in Bucharest and throughout the country



## Outlook for 2022 and onwards

- Ongoing discussions with 3 large and medium-sized companies, but also with 5 other small companies to join the group and aims that most of these discussions will materialize this year;
- The investment budget planned for the next period is 100-120 million euros, approximately 50-70 million euros to be allocated for acquisitions in Romania and in the region;
- The development and expansion plan for 2022 follows the route Cluj-Napoca, Timișoara and Constanța, openings of new clinics in Muntenia and Transilvania, but also in other regions of the country, with the aim of consolidating the national coverage in the next 2 years. MedLife holds the largest network in Romania, with presence in over 25 large and medium-sized cities in the country, being the only private medical provider with true national coverage;
- The Group will accelerate the growth of its second brand, with a focus on patients who adhere to NHIH backed medical services. This year, Sfanta Maria will expand its presence in several small and medium-sized cities, both organically and through acquisitions.

## Outlook for 2022 and onwards

- 2022 goals are also linked to MedLife Park, which entered its second phase of development. We plan on launching a new state of the art Hyperclinic and expanding the laboratory of molecular biology and pathological anatomy. The company aims for a much larger unit to accommodate the research division that will expand its activity in the oncology area this year;
- The next stage of development of this medical hub is planned for 2023 when MedLife intends to put into operation new surgery rooms and expand the hospitalization capacity of the largest hospital in the group with another 150 beds;
- MedLife Park pilot project will be replicated in the medium and long term in several large cities in the country such as Brasov, Sibiu, Cluj or Arad;
- In addition to M&A and organic development projects, MedLife will continue to focus on digitization, being a strategic direction for the group's future development.



# Financial overview

- Consolidated Statement of Profit and Loss
- Consolidated Statement of Financial Position
- Consolidated Statement of Cash Flow

# Consolidated Statement of Profit and Loss (1/3)

Description	12m 2020 IFRS	12m 2021 IFRS	%VAR	Pro-forma adj.	12m 2021 Pro-forma	%VAR
Sales	1,077,448,351	1,432,027,145	32.9 %	200,853,998	1,632,881,143	51.6%
Other operating income	9,274,762	10,344,070	11.5 %	4,096,240	14,440,310	55.7%
<b>OPERATING INCOME</b>	<b>1,086,723,113</b>	<b>1,442,371,215</b>	<b>32.7 %</b>	<b>204,950,238</b>	<b>1,647,321,453</b>	<b>51.6%</b>
<b>OPERATING EXPENSES</b>	<b>(977,611,985)</b>	<b>(1,266,022,175)</b>	<b>29.5 %</b>	<b>(194,107,048)</b>	<b>(1,460,129,223)</b>	<b>49.4%</b>
<b>OPERATING PROFIT</b>	<b>109,111,128</b>	<b>176,349,040</b>	<b>61.6 %</b>	<b>10,843,190</b>	<b>187,192,230</b>	<b>71.6%</b>
<b>EBITDA</b>	<b>212,008,516</b>	<b>287,467,440</b>	<b>35.6 %</b>	<b>20,885,508</b>	<b>308,352,948</b>	<b>45.4%</b>
Net finance cost	(23,252,552)	(26,321,456)	13.2 %	(3,140,447)	(29,461,903)	26.7%
Other financial expenses	(7,307,417)	(8,910,970)	21.9 %	(1,073,010)	(9,983,980)	36.6%
<b>FINANCIAL RESULT</b>	<b>(30,559,969)</b>	<b>(35,232,425)</b>	<b>15.3 %</b>	<b>(4,213,457)</b>	<b>(39,445,882)</b>	<b>29.1%</b>
<b>RESULT BEFORE TAXES</b>	<b>78,551,159</b>	<b>141,116,615</b>	<b>79.6 %</b>	<b>6,629,733</b>	<b>147,746,348</b>	<b>88.1%</b>
Income tax expense	(14,787,475)	(23,592,740)	59.5 %	(1,079,713)	(24,672,453)	66.8%
<b>NET RESULT</b>	<b>63,763,684</b>	<b>117,523,875</b>	<b>84.3 %</b>	<b>5,550,019</b>	<b>123,073,894</b>	<b>93.0%</b>
<b>Margins</b>						
EBIT %	10.1%	12.3%			<b>11.5%</b>	
EBITDA %	19.7%	20.1%			<b>18.9%</b>	
Net Result %	5.9%	8.2%			<b>7.5%</b>	

# Consolidated Statement of Profit and Loss (2/3)

*explained*

## 1) 12m 2021 Pro-forma vs. 12m 2020 IFRS

- ❑ Sales increased by **51.6%**, to RON 1.6 bn;
- ❑ OPEX increased by **49.4%**, to RON 1.4 bn;
- ❑ **71.6%** increase in **EBIT**, to 187m RON, leading to **11.5%** pro-forma margin (10.1% in the same period last year)
- ❑ **EBITDA** increased by **45.4%** to 308m RON, leading to **18.9%** pro-forma margin (19.7% in the same period last year)

Full effect of the acquisitions announced during 2021 and finalized (before and subsequent to reporting date) is reflected in pro-forma, including Pharmachem and Neolife.

- ❑ **93%** increase in **Net Result**, to 123m RON, leading to **7.5%** pro-forma margin (5.9% in the same period last year)
- ❑ Split of **Net Result**: 91% to Group Owners, 9% to NCI
- ❑ **Pro-forma adj.** include financial results of the Acquired Companies in amount of 200m RON (Veridia for 2 months; Medica Sibiu 4m; CED Pharma group 6m; Pharmachem 7m; StomEstet Group 10m; Oradent 11m; Neollife 12m and Irina Medical Center 12m) and one off expenses of 4.3m RON

# Consolidated Statement of Profit and Loss (3/3)

## OPEX Evolution

Description				% of OPERATING EXPENSES			% of SALES		
	12m 2020	12m 2021	%VAR	12m 2020	12m 2021	Change	12m 2020	12m 2021	Change
	IFRS	IFRS		IFRS	IFRS		IFRS		
Consumable materials and repair materials	189,975,286	234,354,593	23.4%	19.4%	18.5%	-0.9 p.p	17.6%	16.4%	-1.3 p.p
Commodities	35,649,736	106,466,669	198.6%	3.6%	8.4%	4.8 p.p	3.3%	7.4%	4.1 p.p
Utilities	12,634,324	15,442,865	22.2%	1.3%	1.2%	-0.1 p.p	1.2%	1.1%	-0.1 p.p
Repairs maintenance	11,549,854	14,752,769	27.7%	1.2%	1.2%	0 p.p	1.1%	1.0%	0 p.p
Rent	6,520,160	8,415,850	29.1%	0.7%	0.7%	0 p.p	0.6%	0.6%	0 p.p
Insurance premiums	3,002,708	3,648,189	21.5%	0.3%	0.3%	0 p.p	0.3%	0.3%	0 p.p
Promotion expense	13,508,044	15,138,344	12.1%	1.4%	1.2%	-0.2 p.p	1.3%	1.1%	-0.2 p.p
Communications	4,236,791	4,907,423	15.8%	0.4%	0.4%	0 p.p	0.4%	0.3%	-0.1 p.p
Third party expenses & Salaries expenses, out of which:	569,271,950	729,238,935	28.1%	58.2%	57.6%	-0.6 p.p	52.8%	50.9%	-1.9 p.p
<i>Third party expenses (including doctor's agreements)</i>	<i>281,469,012</i>	<i>383,196,973</i>	<i>36.1%</i>	<i>28.8%</i>	<i>30.3%</i>	<i>1.5 p.p</i>	<i>26.1%</i>	<i>26.8%</i>	<i>0.6 p.p</i>
<i>Salary and related expenses (including social contrib.)</i>	<i>287,802,938</i>	<i>346,041,962</i>	<i>20.2%</i>	<i>29.4%</i>	<i>27.3%</i>	<i>-2.1 p.p</i>	<i>26.7%</i>	<i>24.2%</i>	<i>-2.5 p.p</i>
Depreciation	102,897,388	111,118,400	8.0%	10.5%	8.8%	-1.7 p.p	9.6%	7.8%	-1.8 p.p
Impairment / Release under IFRS 9 provision on TR	10,888,049	4,406,807	-59.5%	1.1%	0.3%	-0.8 p.p	1.0%	0.3%	-0.7 p.p
Other administration and operating expenses	17,477,695	18,131,331	3.7%	1.8%	1.4%	-0.4 p.p	1.6%	1.3%	-0.4 p.p
<b>OPERATING EXPENSES</b>	<b>977,611,985</b>	<b>1,266,022,175</b>	<b>29.5%</b>	<b>100%</b>	<b>100%</b>	<b>0 p.p</b>	<b>90.7%</b>	<b>88.4%</b>	<b>-2.3 p.p</b>

Release of **1.1 p.p.** in EBITDA margin due to:

- Decrease in Consumable materials and repair materials with **1.3 p.p.** of Sales due to decreased trend on PCR testing and Pharmachem consolidation;
- Increase in Commodities with **4.1 p.p.** of Sales due to consolidation of CED Pharma starting with 1<sup>st</sup> July and Pharmachem Distributie starting with 1<sup>st</sup> August;
- Decrease in Third party expenses & Salaries expenses with **1.9 p.p.** of Sales due to cost cutting measures implemented in 2020, change in the mix of services provided, including consolidation of wholesale company;

# Consolidated Statement of Financial Position (1/2)

Description	December 31,	December 31,	%VAR
	2020	2021	
	IFRS	IFRS	
Non-current assets	904,446,206	1,035,668,299	14.5%
Current assets, excluding Cash and cash equivalents	197,077,260	256,514,016	30.2%
Cash and cash equivalents	81,970,397	129,539,313	58.0%
<b>TOTAL ASSETS</b>	<b>1,183,493,863</b>	<b>1,421,721,628</b>	<b>20.1%</b>
Current liabilities (excluding interest bearing liabilities)	199,597,812	279,041,495	39.8%
Financial Debt	676,523,965	725,542,246	7.2%
Other long term debt	18,119,743	7,546,394	-58.4%
Deferred tax liability	20,345,799	23,559,617	15.8%
<b>TOTAL LIABILITIES</b>	<b>914,587,319</b>	<b>1,035,689,752</b>	<b>13.2%</b>
Equity attributable to owners of the Group	241,273,524	342,303,634	41.9%
Non-controlling interests	27,633,021	43,728,241	58.2%
<b>EQUITY</b>	<b>268,906,545</b>	<b>386,031,876</b>	<b>43.6%</b>



# Consolidated Statement of Financial Position (2/2)

## Debt position

### Leasing liabilities

Description	December 31, 2020 IFRS	December 31, 2021 IFRS	%VAR
Current portion – Leasing	41,166,069	41,693,149	1.3%
Long term portion – Leasing	147,097,180	158,786,846	7.9%
<b>Total</b>	<b>188,263,249</b>	<b>200,479,995</b>	<b>6.5%</b>

### Financial debt

Description	December 31, 2020 IFRS	December 31, 2021 IFRS	%VAR
Overdraft	27,127,907	25,493,223	-6.0%
Current portion of long-term debt	46,436,217	58,482,734	25.9%
Long-term debt	414,696,592	441,086,294	6.4%
<b>Total</b>	<b>488,260,716</b>	<b>525,062,251</b>	<b>7.5%</b>
<b>Net Debt</b>	<b>594,553,568</b>	<b>596,002,933</b>	<b>0.2%</b>
Net debt to EBITDA ratio	2.8	2.1	



# Consolidated Statement of Cash Flow

## Consolidated Statement of Cash Flow

Description	December 31, 2020 IFRS	December 31, 2021 IFRS
<b>Net income before taxes</b>	<b>78,551,159</b>	<b>141,116,616</b>
Adjustments for non-monetary items	146,218,374	145,430,413
<b>Operating cash flow before working capital and other monetary changes</b>	<b>224,769,532</b>	<b>286,547,029</b>
Cash used in working capital changes	(64,233,268)	(17,819,706)
Other monetary changes (income tax and net interest paid)	(31,872,429)	(54,700,582)
<b>Net cash from operating activities</b>	<b>128,663,835</b>	<b>214,026,740</b>
<b>Net cash used in investing activities</b>	<b>(112,848,673)</b>	<b>(146,706,853)</b>
<b>Net cash from/ (used in) financing activities</b>	<b>28,466,339</b>	<b>(19,750,971)</b>
<b>Net change in cash and cash equivalents</b>	<b>44,281,501</b>	<b>47,568,916</b>
Cash and cash equivalents beginning of the period	37,688,896	81,970,397
<b>Cash and cash equivalents end of the period</b>	<b>81,970,397</b>	<b>129,539,313</b>

Cash flow for the period characterized by increased operating performance:

1. 1.7 times increase in net cash from operating activities, to 214m RON;
2. 30% increase in investments YoY, to 146m RON;
3. Net repayment in financing activities of 19m RON

### Investing activities

Description	December 31, 2020 IFRS	December 31, 2021 IFRS
Investment in business combination	(23,769,813)	(52,504,735)
Additional participation interest acquired	-	(1,661,990)
Purchase of intangible assets	(5,962,689)	(5,357,076)
Purchase of property, plant and equipment	(83,116,171)	(87,183,052)
<b>Net cash used in investing activities</b>	<b>(112,848,673)</b>	<b>(146,706,853)</b>



Q&A Session

Thank you!

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