

# H1 2022 Financial Results

## Frontier Investor Days Conference

15 – 16 September 2022



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

# MedLife at a glance

1. Supportive market environment: expected - highest growth of healthcare market in CEE with a CAGR for private healthcare of 10% over 2022 – 2026
2. Leading private healthcare provider in Romania
3. One of the largest players in CEE
4. Balanced and highly synergic business model, with 6 mutually reinforcing business lines and 2 distinct brands that capture revenue from patients from all disposable income classes (MedLife and Sfânta Maria)
5. Largest healthcare prevention package (HPP) client base and facility portfolio in Romania
6. Sales mostly from the private sector
7. Track record of successful management of organic growth and acquisitions



# AGENDA

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## About us

- MedLife Medical System
- How we grew
- MedLife network

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## Highlights H1 2022

- Snapshot
- Key messages
- Outlook

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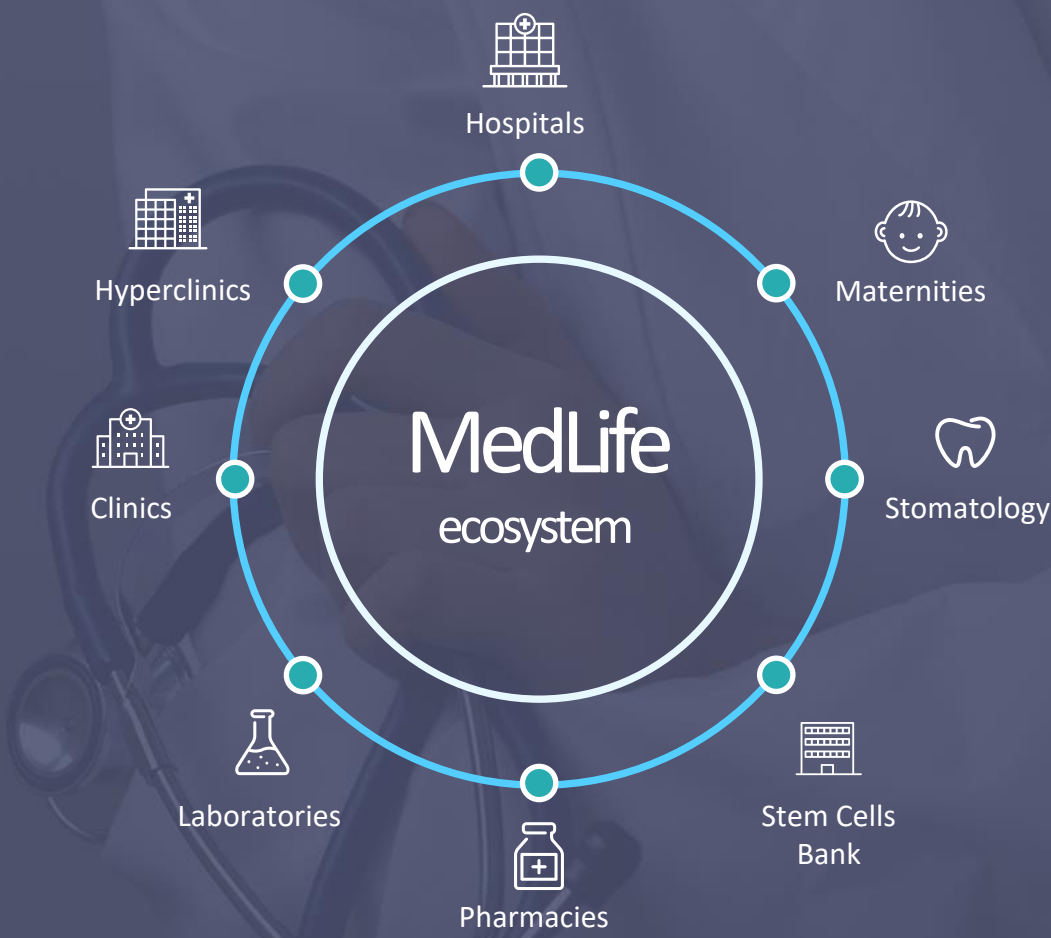
## Financial overview

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

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# Unique Revenue Capture Model - Flow of Referrals Among Business Lines



5.5 million  
unique patients

# Introduction to MedLife Medical System

Founded in 1996, MedLife is the leading private healthcare provider in Romania\*.

The MedLife headquarter is located at 365, Calea Grivitei, District 1, Bucharest, Romania.

The Company operates the widest network of clinics, one of the largest networks of medical laboratories, mono and multidisciplinary hospitals and it has the largest client database for HPP in the country. The Company has developed its Stomatology business line, opening a standalone clinic in 2015 and acquiring in 2016 the majority stake of Dent Estet group, the largest dental clinic network in Romania; at the date of the present report, MedLife has in its portfolio 17 Dental Clinics.

The Group is also active in the Pharmacies business line. In the last three years, the group doubled the number of pharmacies, reaching 23 pharmacies.

On 9 September 2022, MedLife enters in a new business segment, namely the wellness segment, by acquiring the majority stake of Sweat Concept gyms.

MedLife's presence in all these core healthcare service areas is the basis of the Group's unique revenue capture model, offering patients a complete service from prevention to diagnosis to treatment. Additionally, in 2019 MedLife crossed the country's borders and announced the first international transaction through the acquisition of 51% stake in Rózsakert Medical Center (RMC) Group of companies, one of top 10 medical services providers in Hungary.

Throughout its history, MedLife Group have had over 5.5 million unique patients, namely around 1 in 4 Romanians.

MedLife Group has a successful history as regards both organic growth and growth by acquisitions. Starting with 2009 onwards, MedLife completed important acquisitions of medical companies. Its strong and experienced management team has been capable of creating and managing these growth opportunities, acquiring valuable knowledge and experience, which can allow finding the best way to continue expanding successfully.

\* by Sales figures, number of medical units, number of beds

# Healthcare expenditure trends

Total healthcare market was estimated at around 71 bn RON in 2021, increasing by 8% as compared to 2020 (66 bn RON), according to Fitch Solutions Q2 2022 report.

The private healthcare market is estimated at 15.8 bn RON in 2021, increasing by 15% as compared to 2020 (13.8 bn RON).

## HEALTHCARE EXPENDITURE TRENDS, HISTORICAL DATA AND FORECASTS (ROMANIA 2018-2026)

| Indicator                       | 2018    | 2019    | 2020    | 2021e   | 2022f   | 2023f   | 2024f   | 2025f   | 2026f   |
|---------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Health spending, USDbn          | 13.426  | 13.565  | 15.573  | 17.104  | 18.056  | 19.514  | 21.550  | 23.653  | 25.558  |
| Health spending, USDbn, % y-o-y | 23.13   | 1.03    | 14.80   | 9.84    | 5.56    | 8.08    | 10.44   | 9.76    | 8.06    |
| Health spending, RONbn          | 52.921  | 57.488  | 66.090  | 71.161  | 78.558  | 83.354  | 88.536  | 94.132  | 100.172 |
| Health spending, RONbn, % y-o-y | 19.76   | 8.63    | 14.96   | 7.67    | 10.39   | 6.10    | 6.22    | 6.32    | 6.42    |
| Health spending, USD per capita | 688.3   | 700.5   | 809.5   | 894.2   | 948.7   | 1,030.1 | 1,142.7 | 1,260.0 | 1,368.0 |
| Health spending, RON per capita | 2,713.0 | 2,968.7 | 3,435.5 | 3,720.3 | 4,127.8 | 4,400.0 | 4,694.5 | 5,014.2 | 5,361.7 |
| Health spending, % of GDP       | 5.56    | 5.43    | 6.26    | 6.16    | 6.18    | 6.16    | 6.15    | 6.14    | 6.13    |

*e/f = Fitch Solutions estimate/forecast. Source: WHO, Fitch Solutions*

# Healthcare expenditure trends

Split between government and private healthcare expenditure:

## GOVERNMENT HEALTHCARE EXPENDITURE TRENDS, HISTORICAL DATA AND FORECASTS (ROMANIA 2018-2026)

| Indicator                                | 2018   | 2019   | 2020   | 2021e  | 2022f  | 2023f  | 2024f  | 2025f  | 2026f  |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Govt. health spend, USDbn                | 10.705 | 10.578 | 12.322 | 13.291 | 14.023 | 14.940 | 16.264 | 17.596 | 18.743 |
| Govt. health spend, USDbn, % y-o-y       | 24.82  | -1.18  | 16.48  | 7.86   | 5.51   | 6.54   | 8.86   | 8.19   | 6.52   |
| Govt. health spend, RONbn                | 42.195 | 44.830 | 52.294 | 55.296 | 61.013 | 63.817 | 66.816 | 70.025 | 73.461 |
| Govt. health spend, RONbn, % y-o-y       | 21.41  | 6.25   | 16.65  | 5.74   | 10.34  | 4.60   | 4.70   | 4.80   | 4.91   |
| Govt. health spend, % total health spend | 79.73  | 77.98  | 79.13  | 77.70  | 77.67  | 76.56  | 75.47  | 74.39  | 73.33  |

e/f = Fitch Solutions estimate/forecast. Source: WHO, Fitch Solutions

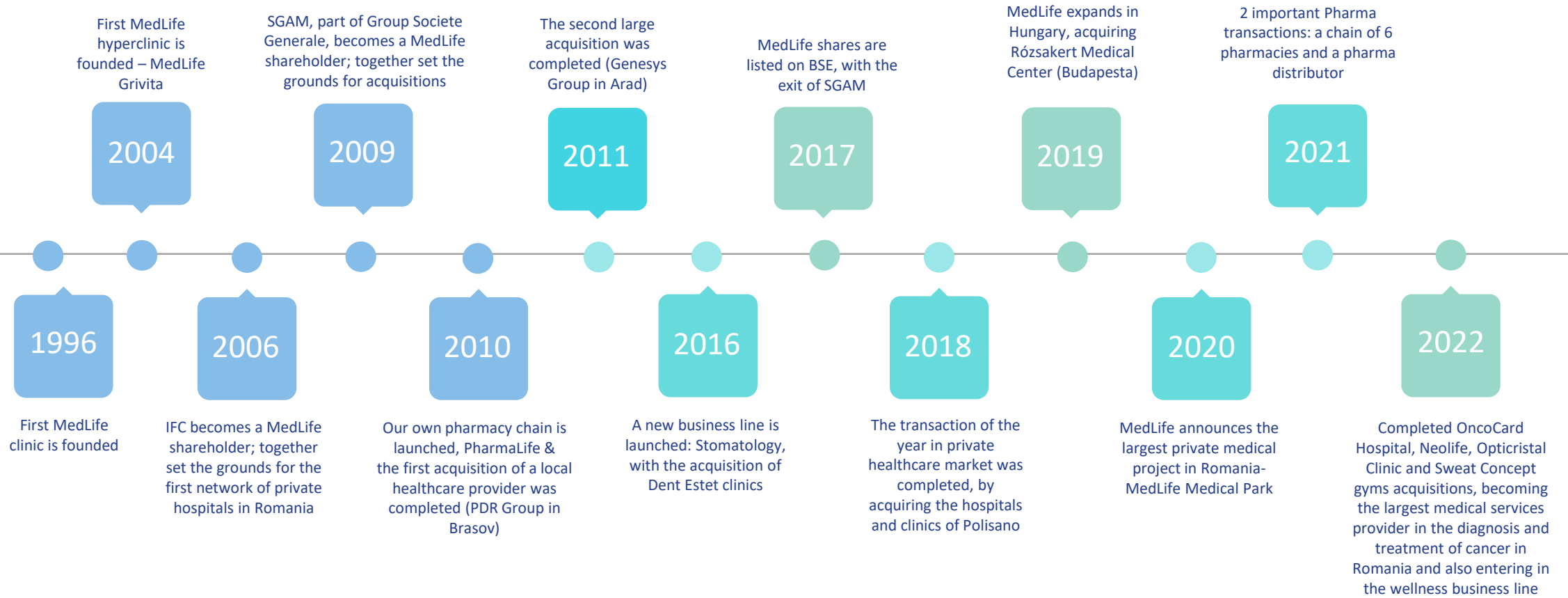
## PRIVATE HEALTHCARE EXPENDITURE TRENDS, HISTORICAL DATA AND FORECASTS (ROMANIA 2018-2026)

| Indicator  | 2018   | 2019   | 2020   | 2021e  | 2022f  | 2023f  | 2024f  | 2025f  | 2026f  |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Private health spend, USDbn                      | 2.721  | 2.987  | 3.251  | 3.814  | 4.033  | 4.574  | 5.287  | 6.057  | 6.815  |
| Private health spend, USDbn, % y-o-y             | 16.90  | 9.75   | 8.84   | 17.31  | 5.74   | 13.42  | 15.59  | 14.58  | 12.51  |
| Private health spend, RONbn                      | 10.726 | 12.657 | 13.796 | 15.866 | 17.545 | 19.537 | 21.719 | 24.106 | 26.712 |
| Private health spend, RONbn, % y-o-y             | 13.70  | 18.00  | 9.00   | 15.00  | 10.58  | 11.35  | 11.17  | 10.99  | 10.81  |
| Private health spend, % total health expenditure | 20.27  | 22.02  | 20.87  | 22.30  | 22.33  | 23.44  | 24.53  | 25.61  | 26.67  |

e/f = Fitch Solutions estimate/forecast. Source: WHO, Fitch Solutions



# Evolution



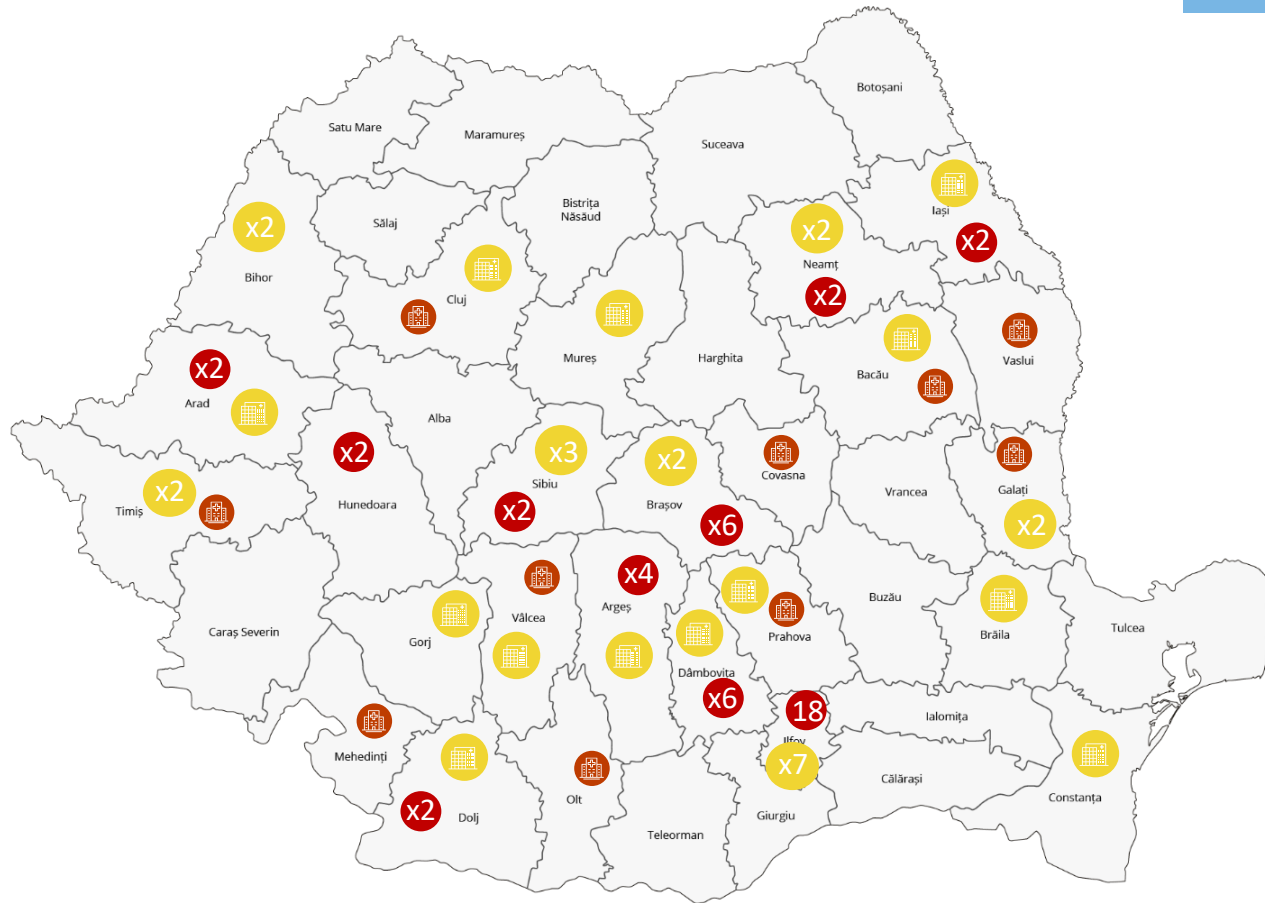
## Completed acquisitions include:

1. PDR Group in Brasov ( 83.01% ownership) – multidisciplinary hospital, outpatient units and labs;
2. Genesys Grup in Arad (83% ownership) - multidisciplinary hospital, outpatient units and labs;
3. Sama Medical Center (90% ownership) – outpatient units, day hospitalization and labs in Craiova and other cities in the south-west of Romania;
4. Prima Medical (100% ownership) – imagistic center in Craiova;
5. Diamed Center (100% ownership) – laboratory network (including sampling points) in Bucharest and in various other cities in South-East Romania. Set the basis for the second brand of MedLife >> Sfanta Maria;
6. Stem Cells Bank (100% ownership) – stem cells Bank in Timisoara;
7. Dent Estet Clinic SA (60% shareholding) – 11 dentistry units in Bucharest, Timisoara and Sibiu;
8. Centrul Medical Panduri (100% shareholding) – 2 outpatient units and a lab in Bucharest;
9. Almina Trading (90% shareholding) - outpatient, imagistic and laboratory services, present on Dambovitza and Ilfov markets with 7 medical centers and 2 labs;
10. Anima (100% shareholding) – 7 outpatient units and 1 lab, is one of the largest private outpatient services provider under the NHIH contract;
11. Valdi Medica (55% shareholding) – operated Humanitas Hospital in Cluj;
12. Polisano (100% ownership) – multidisciplinary hospital, outpatient units and labs in Sibiu;
13. Ghencea (100% ownership) – 2 outpatient units in Bucharest and Magurele;
14. Solomed (80% ownership) – 5 outpatient units and 1 lab in Pitesti, Costesti and Curtea de Arges;
15. Rozsakert Medical Center, Hungary (51% ownership) – outpatient unit and stomatology center in Budapest, Hungary;
16. Oncoteam (79% ownership) - laboratory of pathological anatomy and molecular biology in Bucharest;
17. Lotus (100% ownership) – medical hub in Ploiesti, including a multidisciplinary hospital;
18. Micromedica (100% ownership) - one of the most important providers of private medical services in the eastern part of the country;
19. Ced Pharma Group (100% ownership) – chain of 6 pharmacies in Bucharest;
20. Pharmachem (75% ownership) – Pharma distributor with a warehouses network in Bucharest and in the entire country;
21. NeoLife (50% ownership)- One of the largest medical players in the Oncology segment in Romania, with 4 diagnostic and treatment medical centers;
22. Life Med (100% ownership) and Pro Life (60% ownership) – both companies will be integrated under Sfanta Maria network;
23. OncoCard (100% ownership) - diagnostic and oncological treatment hospital in Brasov;
24. Tomorad (100% ownership) - Diagnostic and Imaging Medical Center from Sfantu Gheorghe
25. Gastroenterology Medical Center from Targu Mures (60% ownership);
26. Medicris Oradea Grup (100% ownership) - the largest center of occupational health and related services in Bihor County;
27. Sweat Concept gyms (60% ownership) - marking the entry into a new line of business – wellness;
28. Opticristal Clinic (60% ownership) - ophthalmological diagnosis and surgery clinic in Brasov;
29. Medici's Group (80% ownership) - the most important local medical operator in the western region – transaction under analysis by the Competition Council;
30. Profilaxis Center (80% ownership) - one of the top polyclinics in Timisoara;
31. SanoPass Digital Platform (majority ownership) - one of the most active Romanian startups in the healthtech area, providing medical, wellness and fitness services on a subscription and individual basis.
32. Muntenia Hospital (99.76% ownership) - the largest private hospital in Arges County - transaction under analysis by the Competition Council;

# No. 1 in Romania – CEE expansion



# MedLife outpatient units



## Hyperclinics

- One stop shop concept - MedLife hyperclinics include medical outpatient specialties, providing in one single place clinical examinations and imaging.
- High performance imaging investigations: radiology, DEXA (bone density), MRI, CT, 2D-5D ultrasounds, mammography;
- Over 20 medical offices with more than 40 medical specialties;

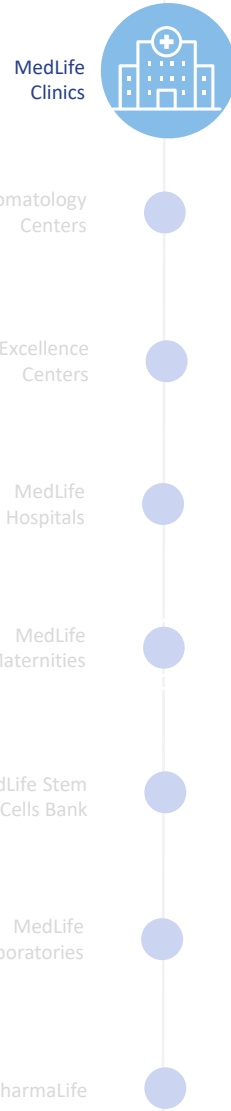
## Clinics

- Offering a range of treatments from general practitioner services to specialists, are aimed at servicing the core needs of the Group's HPP patients and FFS clients;
- Have between 5 and 12 medical offices;

**33**  
Hyperclinics

**56**  
Clinics

**2.3m**  
visits in 2021

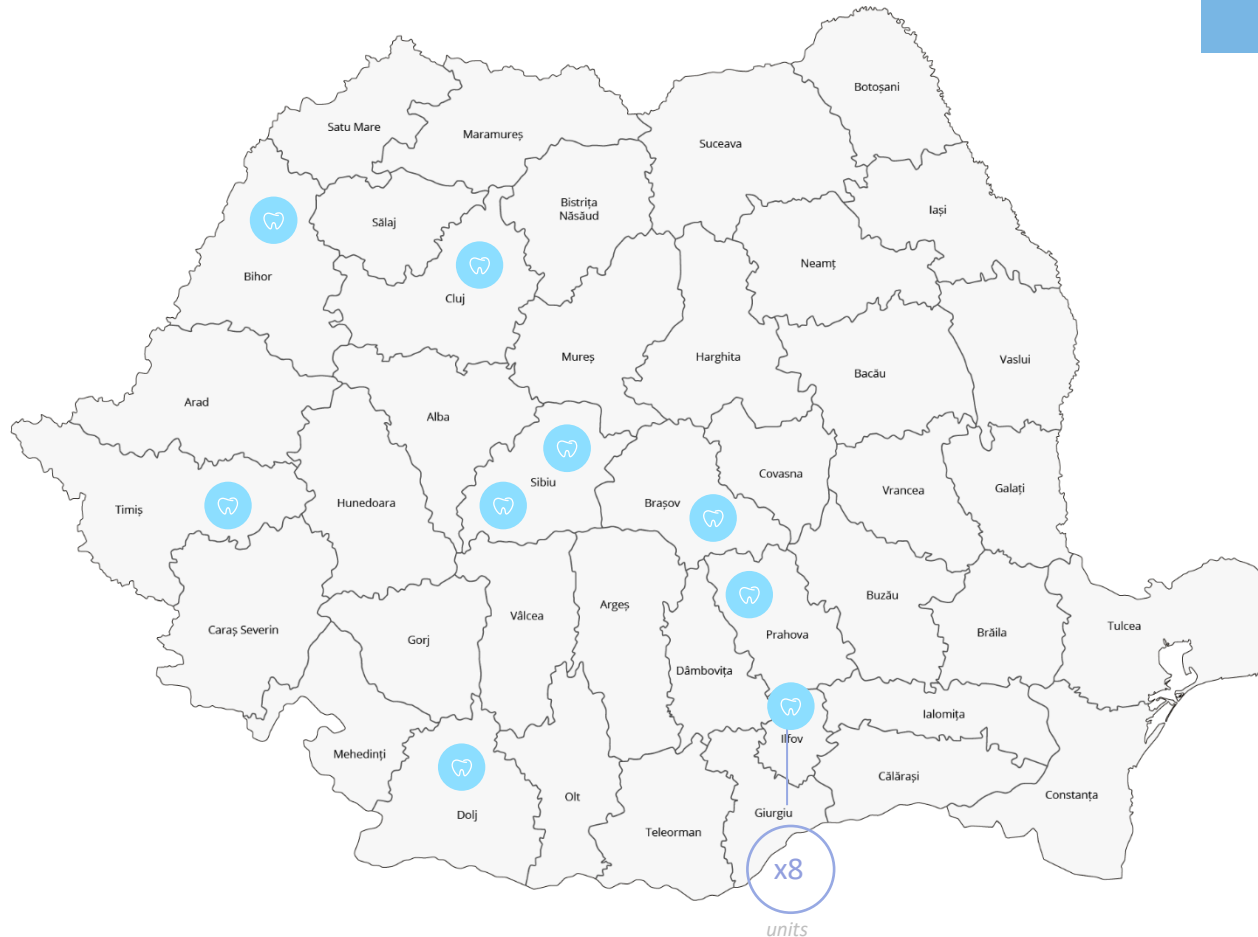


# Stomatology centers



## PRFG technology

It allows rapid healing after dental interventions with high degree of complexity, in just a few minutes.



- DENT ESTET by MedLife, the only dental network in Romania specialized in orthodontic services by age segments: 15 medical units with 3 acquisitions completed (Kronident in Brasov, Stomestet in Cluj and Oradent in Oradea)
- Highly specialized team of doctors, with multiple certifications in Europe and USA
- 3 integrated digital radiology centers, 1 A&IC department with a team of 14 anesthesia specialists, 4 Future Smile Design photo studios, 4 psychology offices, a medical management educational program and a digital dental laboratory
- 2 additional stomatology centers: one is DentaLife, founded by MedLife, and one is part of RMC Group in Hungary

**17**  
Stomatology  
centers

**>150k**  
visits in 2021

MedLife  
Clinics

Stomatology  
Centers

MedLife Excellence  
Centers

MedLife  
Hospitals

MedLife  
Maternities

MedLife Stem  
Cells Bank

MedLife  
Laboratories

PharmaLife

# MedLife Hospitals



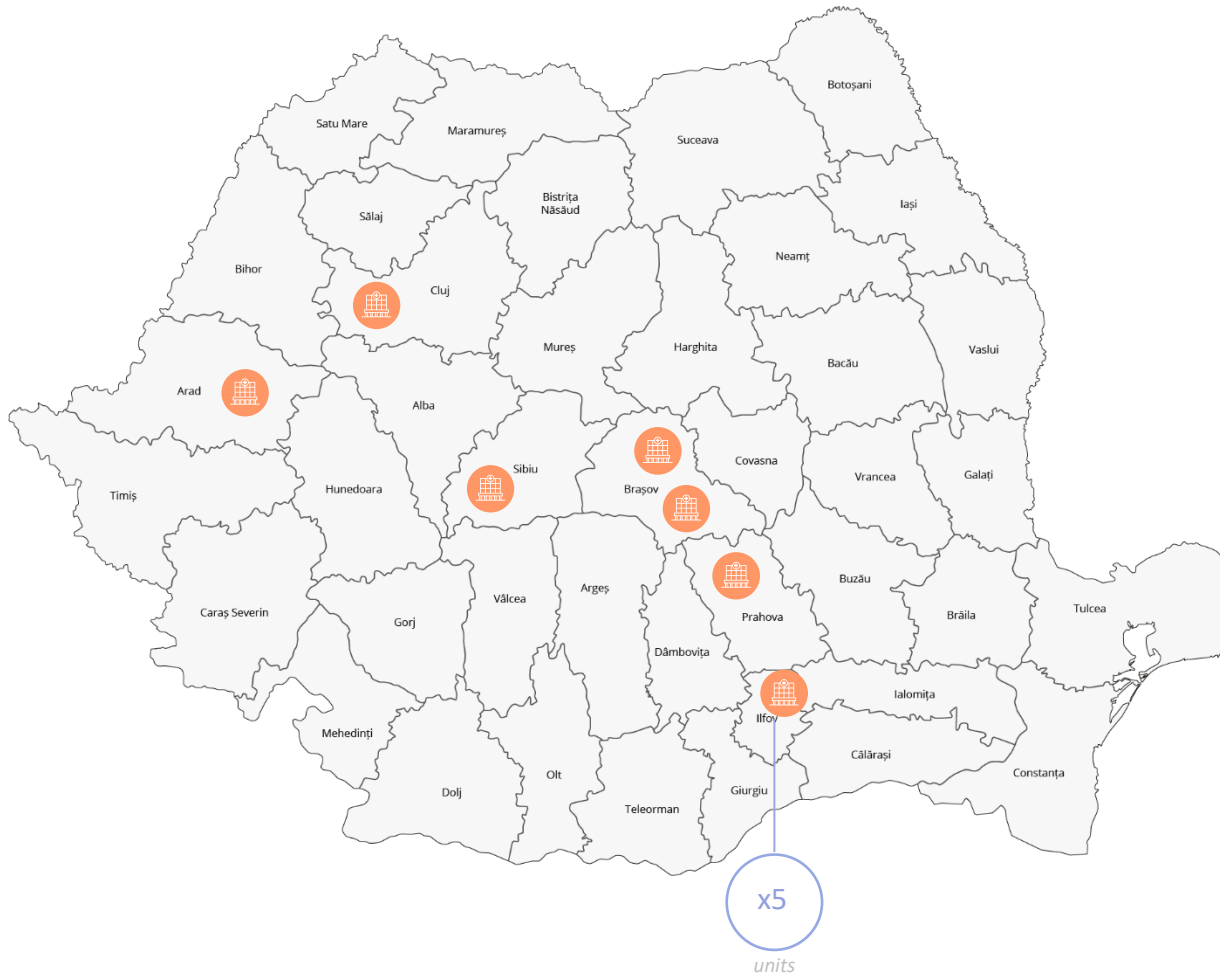
The largest network of private hospitals in Romania, with 975 beds

## Multidisciplinary Inpatient units

- MedLife Genesys Hospital, Arad
- MedLife PDR Hospital, Brasov
- Lotus Hospital, Ploiești
- Humanitas Hospital, Cluj Napoca
- Polisano Hospitals, Sibiu
- Life Memorial Hospital, Bucharest
- MedLife Titan Hospital, Bucharest

## Monodisciplinary Inpatient units

- MedLife Orthopedic Hospital, Bucharest
- Pediatrics Hospital, Bucharest
- AngioLife Cardiology and Interventional Radiology Center, Bucharest
- OncoCard Hospital, Brasov



MedLife Clinics

Stomatology Centers

MedLife Excellence Centers

MedLife Hospitals

MedLife Maternities

MedLife Stem Cells Bank

MedLife Laboratories

PharmaLife

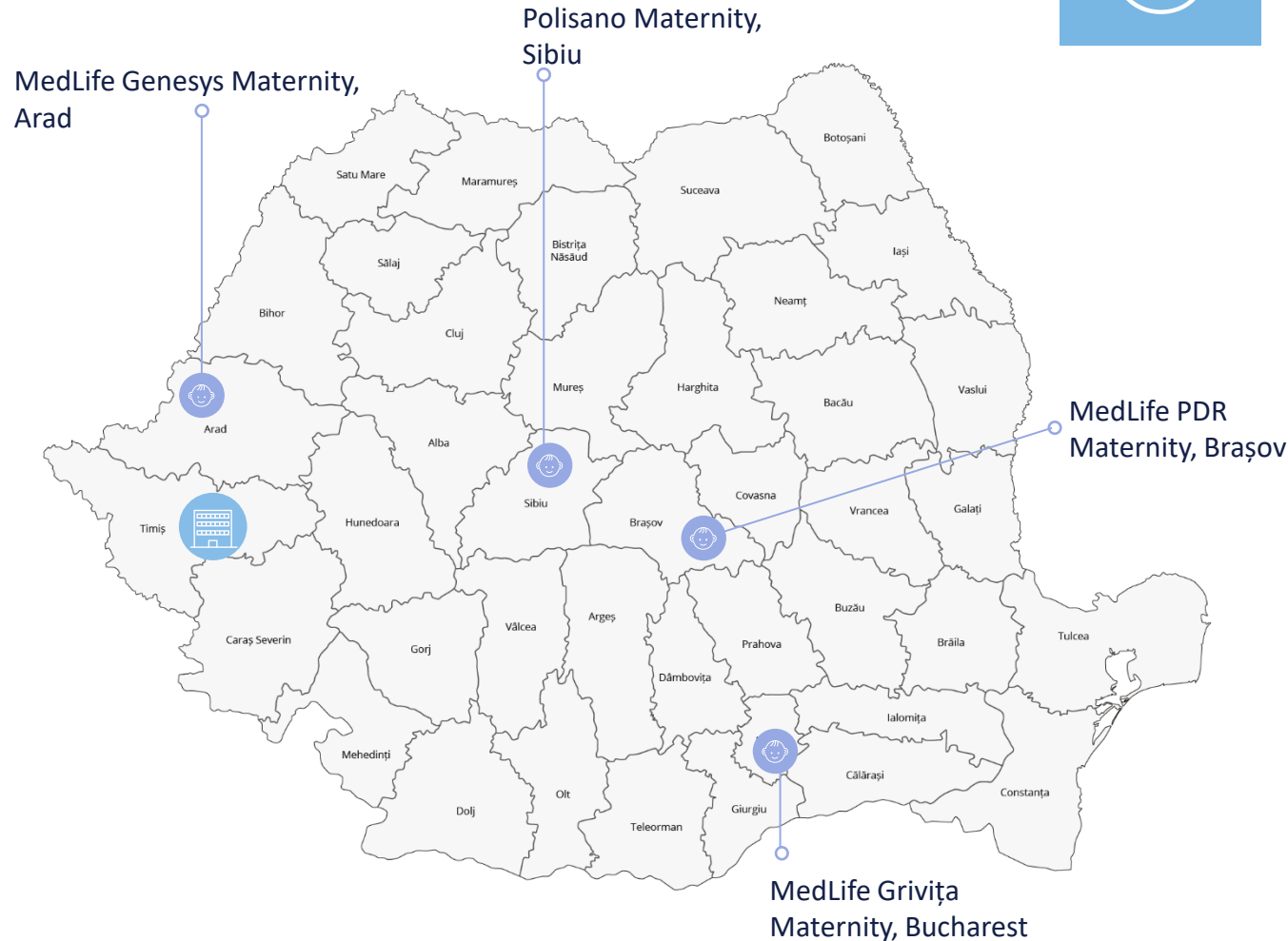
11 hospitals

100k patients in 2021

# MedLife Maternities and Stem Cells Bank



MedLife Grivita Maternity is the first private maternity hospital in Bucharest accredited by UNICEF as Baby-Friendly Hospital



- Maternities have birth blocks consisting of natural delivery rooms, aquatic environment delivery rooms (Brasov and Sibiu) and cesarean delivery rooms
- A&IC Department and Neonatology section, equipped with state-of-the-art equipment
- Over 40,000 babies have been born in MedLife maternities
- Stem Cells Bank in Timisoara, with more than **7,000** Stem cells samples stored

**4**  
maternities

**> 20k**  
Births in the past 5 years

MedLife Clinics

Stomatology Centers

Excellence Centers

MedLife Hospitals

MedLife Maternities

MedLife Stem Cells Bank

MedLife Laboratories

PharmaLife

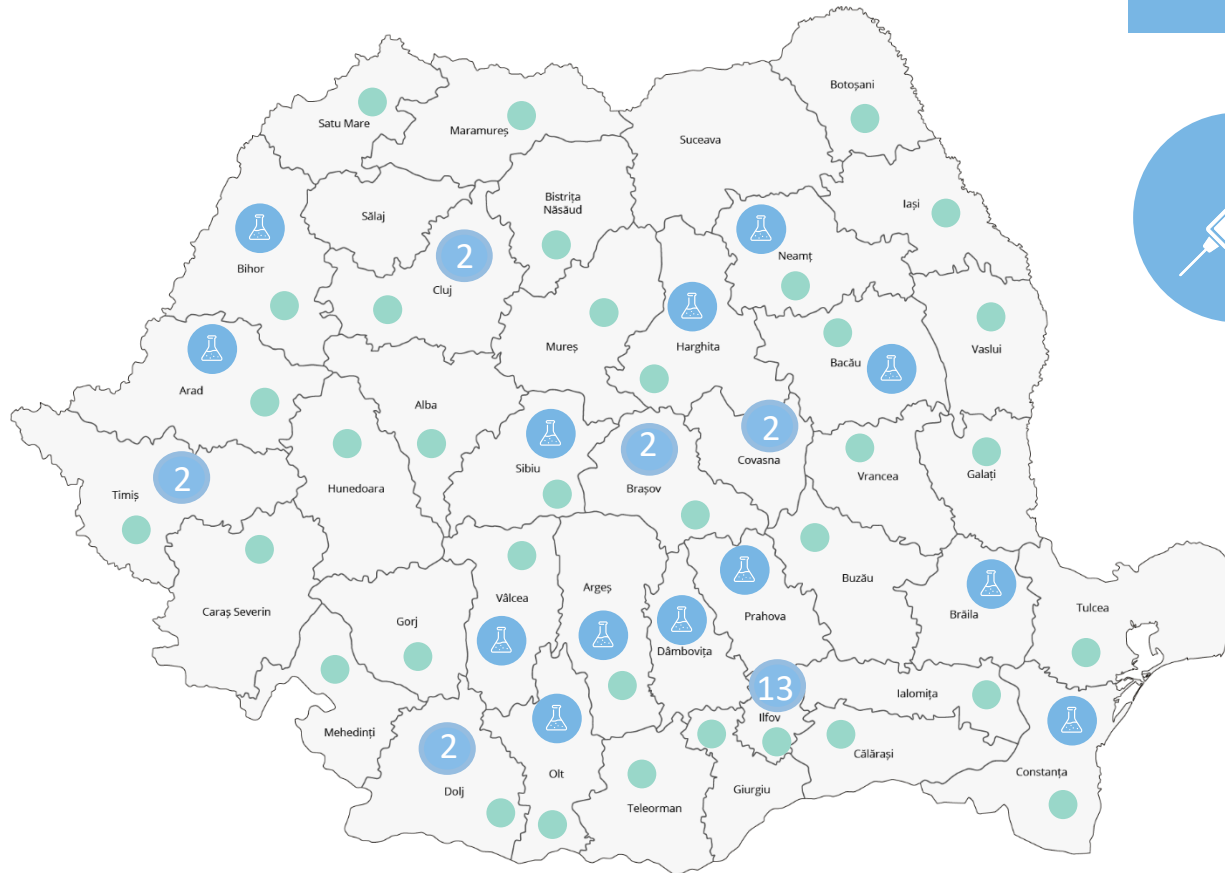
# MedLife Laboratories



The latest laboratory technologies by Abbott.



- The largest network of private laboratories in Romania
- Full range of tests performed from standard blood tests to complex genetic analysis
- Partnership with laboratories in France and Germany for second opinion
- A significant lower rapid turnaround time



MedLife Hyperclinics

MedLife Clinics

Stomatology Centers

MedLife Excellence Centers

MedLife Hospitals

MedLife Maternities

MedLife Stem Cells Bank

MedLife Laboratories

PharmaLife

**36**  
Laboratories

**>180**  
Sampling points

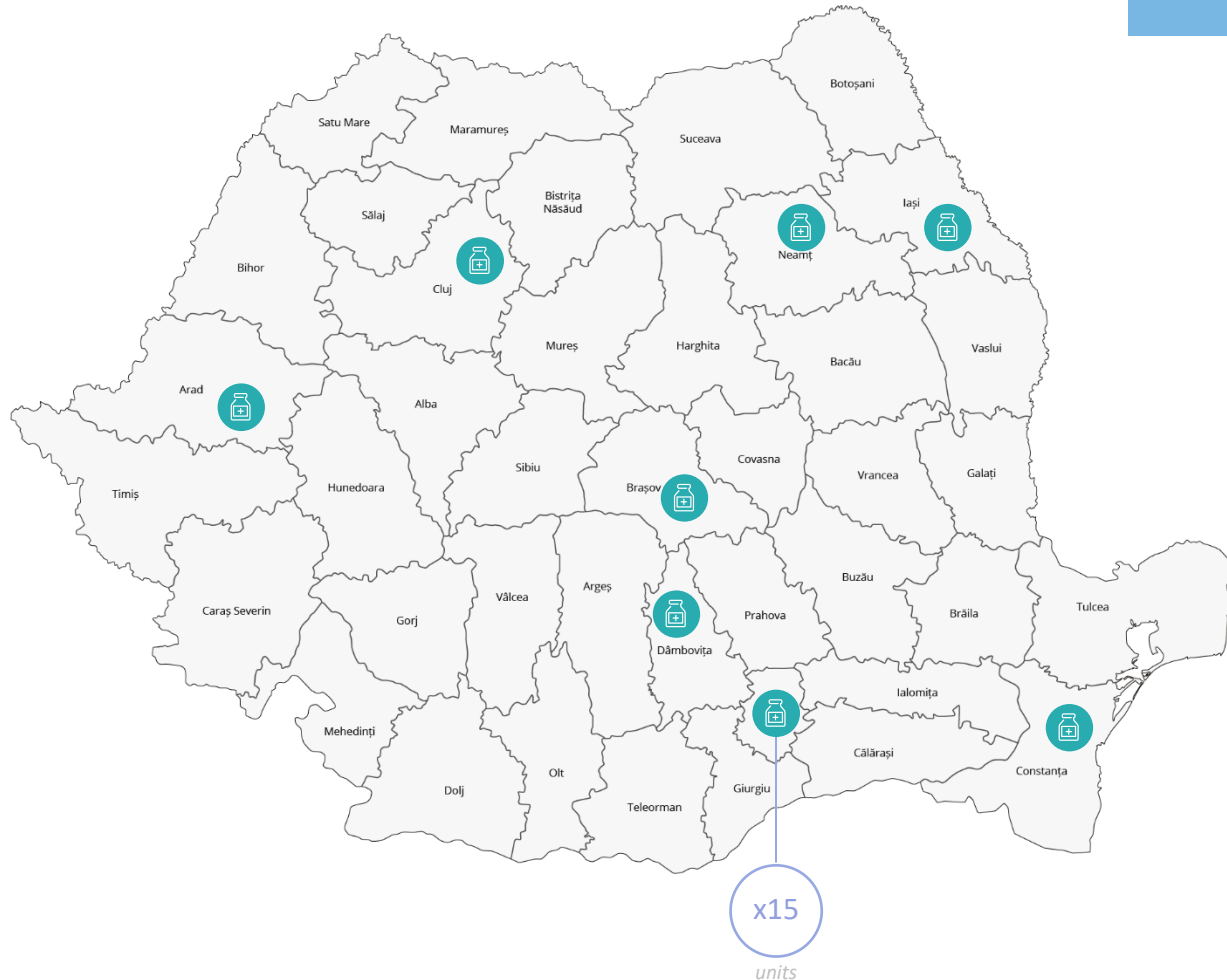
**> 8.5m**  
Analyses in 2021



# MedLife Pharmacies: PharmaLife



Own laboratory, where clients can benefit from specific products.



- NHIH contracts for free and subsidized prescriptions
- Clickpharm.ro website for online shopping
- PharmaLife own laboratory & own brand of products: DoctorLife

MedLife Hyperclinics

MedLife Clinics

Stomatology Centers

MedLife Excellence Centers

MedLife Hospitals

MedLife Maternities

MedLife Stem Cells Bank

MedLife Laboratories

PharmaLife



23

pharmacies

> 360k

Clients in 2021



# Highlights 6m 2022

- Snapshot
- Key messages
- Outlook

## Snapshot

- Pro-forma consolidated Sales of **RON 865m** in H1 2022, increased by **28%** compared to H1 2021 (IFRS base);
- IFRS consolidated Sales of **RON 860m** in H1 2022, increased by **27%** compared to H1 2021 (5% like to like increase on one-off COVID demand in 2021)
- The Group managed to compensate the drop in COVID related demand in 2022, proving a strong organic growth of crisis resilient medical services evidencing the strength of its business);
- Sales growth sustained equally by traffic increase, organic development projects and acquisitions;
- Demand for outpatient services remains high, being a good indicator for further demand of hospital medical services, laboratory analysis and medical subscriptions;
  
- **16.7% pro-forma EBITDA margin** (vs. 23% IFRS EBITDA margin in H1 2021);
  
- Pro-forma EBITDA margin reflects full effect of:
  - Neolife (completed in February & consolidated starting with 1<sup>st</sup> of March 2022);
  - Life-Med (completed in March & consolidated starting with 1<sup>st</sup> of April 2022);
  - Pro-life (completed in April & consolidated starting with 1<sup>st</sup> of May 2022);
  - OncoCard group and Tomorad (completed in May & consolidated starting with 1<sup>st</sup> of June 2022); and the acquisitions completed post reporting date: Gastroenterology Center in Tg. Mures, Medicris Group, Opticristal Group and Profilaxis.
  - Medici's Group (EUR 4.1m turnover in 2021) & Muntenia Hospital (EUR 5.5m turnover in 2021) (subject to the approval of the Competition Council) and Sweat Concept gyms (closing to be finalized) were not included in pro-forma reporting.

# Snapshot

- 5.8% pro-forma Net Result margin (vs. 10.6% IFRS Net Result margin in H1 2021);
- Impact on **EBITDA and net result margins** in Q2 2022 coming mainly from new units and consolidation projects that are short-term dilutive to margins:
  - Consolidation period for DentEstet Group following several organic development projects currently in early stage and the fast expansion pace with 3 completed acquisitions in the past twelve months;
  - Reshape period for Medical Park which entered its second phase of development - launching the new Hyperclinic and expanding the laboratory of molecular biology and pathological anatomy & a larger unit to accommodate the research division that will expand its activity in the oncology area;
  - Following the relocation of the outpatient unit, the activity of the hospital unit will be enhanced with new inpatient medical services and medical teams, increased number of surgery rooms, larger preoperative and postoperative units and recalibrated hospital circuits;
  - Intensified marketing activity with longer term benefits;

## Key messages 6m 2022

- Investments for growth amounted to **RON 245m in the 6 months 2022 period, 4.5 x higher YoY: RON 187m** in acquisitions and **RON 58m** in organic capital investment;
- In 2022, the group expanded footprint by completing **12 strategic acquisitions** aimed at strengthening the medical services offered nationally through the group's 2 brands: MedLife and Sfânta Maria.
- The Group followed through its strategy of repositioning the business on crisis resilient medical drivers aimed at strengthening the performance response in case of interference of external threats and consolidated the most powerful oncology and radiotherapy services platform in Romania, crises-resilient segment and strong growth driver for 2022 and years to come;
- Development towards niche medical services to be scaled nationally (Opticristal - ophthalmological diagnosis and surgery clinic in Brasov) and integration of wellness services through the acquisition of SWEAT Concept gyms;
- Continued investments in the medical infrastructure that will translate into added value for our patients and long-term results for shareholders and investors: DaVinci for robotic surgery in Medical Park, new inaugurations of medical centers at the national level, such as the opening of two dental clinics in Craiova and Ploiești under DENTESTET brand, a new Hyperclinic in Târgu Mureș, but also the launch of niche medical centers in Arad, Târgoviște and Craiova;

## Key messages 6m 2022

- Corporate segment:
  - Launched the group's medical subscription for the B2C market;
  - Developed medical subscription packages for corporate clients completed by insurance solutions;
  - Expended services for SME segment;
  
- Prevention and medical education programs for employees and personalized reports on their health status are now supplemented by premium Concierge Doctor service, medical assistance at the company headquarters or in any area of the country through mobile medical clinics, wellness programs for employees supported by online fitness sessions or office massage;

## Outlook for 2022 and years to come

- Pursue a balanced approach, both from a medical and business perspective, with further consolidation of inpatient services for acute diseases & oncological diagnostic and treatment services; these are conditions that cannot be postponed to the next economic cycle due to pandemics or the geopolitical situation;
- Investment plan focused on completion of the second stage of development of Medical Park (open days expected for November *TBA*), but also to other projects related to the expansion of hospital network at national level;
- Focus on strengthening prevention services through a holistic approach, integrating wellness services along with outpatient services and paraclinical investigations;
- Discussions with large and medium-sized companies, but also with other small companies to join the group, pursuing an expansion strategy carefully aligned to the macro-economic context both at national and regional level;



# Financial overview

- Consolidated Statement of Profit and Loss
- Consolidated Statement of Financial Position
- Consolidated Statement of Cash Flow
- Share evolution on BSE & Shareholder structure



# Consolidated Statement of Profit and Loss

| Description                | 6m 2021<br>IFRS      | 6m 2022<br>IFRS      | %VAR           | Pro-forma adj.     | 6m 2022<br>Pro-forma | %VAR           |
|----------------------------|----------------------|----------------------|----------------|--------------------|----------------------|----------------|
| Sales                      | 677,290,415          | 860,395,896          | 27.0 %         | 4,739,199          | 865,135,095          | 27.7 %         |
| Other operating income     | 2,361,661            | 4,258,600            | 80.3 %         | 529,747            | 4,788,347            | 102.8 %        |
| <b>OPERATING INCOME</b>    | <b>679,652,076</b>   | <b>864,654,496</b>   | <b>27.2 %</b>  | <b>5,268,946</b>   | <b>869,923,442</b>   | <b>28.0 %</b>  |
| <b>OPERATING EXPENSES</b>  | <b>(576,526,627)</b> | <b>(795,476,602)</b> | <b>38.0 %</b>  | <b>839,788</b>     | <b>(794,636,814)</b> | <b>37.8 %</b>  |
| <b>OPERATING PROFIT</b>    | <b>103,125,449</b>   | <b>69,177,894</b>    | <b>(32.9)%</b> | <b>6,108,734</b>   | <b>75,286,628</b>    | <b>(27.0)%</b> |
| <b>EBITDA</b>              | <b>155,881,020</b>   | <b>135,693,964</b>   | <b>(13.0)%</b> | <b>9,003,788</b>   | <b>144,697,751</b>   | <b>(7.2)%</b>  |
| Net finance cost           | (12,314,202)         | (16,094,864)         | 30.7 %         | (1,173,955)        | (17,268,819)         | 40.2 %         |
| Other financial expenses   | (5,560,501)          | (381,157)            | (93.1)%        | 29,387             | (351,770)            | (93.7)%        |
| <b>FINANCIAL RESULT</b>    | <b>(17,874,703)</b>  | <b>(16,476,021)</b>  | <b>(7.8)%</b>  | <b>(1,144,568)</b> | <b>(17,620,589)</b>  | <b>(1.4)%</b>  |
| <b>RESULT BEFORE TAXES</b> | <b>85,250,746</b>    | <b>52,701,873</b>    | <b>(38.2)%</b> | <b>4,964,166</b>   | <b>57,666,039</b>    | <b>(32.4)%</b> |
| Income tax expense         | (13,699,390)         | (7,054,906)          | (48.5)%        | (654,362)          | (7,709,268)          | (43.7)%        |
| <b>NET RESULT</b>          | <b>71,551,356</b>    | <b>45,646,967</b>    | <b>(36.2)%</b> | <b>4,309,804</b>   | <b>49,956,771</b>    | <b>(30.2)%</b> |
| <b>Margins</b>             |                      |                      |                |                    |                      |                |
| EBIT %                     | 15.2%                | 8.0%                 |                |                    | <b>8.7%</b>          |                |
| EBITDA %                   | 23.0%                | 15.8%                |                |                    | <b>16.7%</b>         |                |
| Net Result %               | 10.6%                | 5.3%                 |                |                    | <b>5.8%</b>          |                |

## 6m 2022 Pro-forma vs. 6m 2021 IFRS

- ❑ Sales increased by **28%**, to **RON 865m**;
- ❑ **OPEX** increased by **38%**, to **RON 794m**;
- ❑ **27%** decrease in **EBIT**, to **RON 75.2m**, leading to **8.7%** pro-forma margin (15.2% in the same period last year) mainly following decrease in PCR testing and increase in assets base and corresponding depreciation: from RON 52.7m in H1 2021 to **RON 69.5m** in H1 2022;
- ❑ **7.2%** decrease in **EBITDA**, to **RON 144.7m**, leading to **16.7%** pro-forma margin (23% in the same period last year), following decrease in PCR testing off-set by robust demand levels in all business lines and expanded service offering and market coverage;
- ❑ **Net Result** of **RON 50m**, leading to **5.8%** pro-forma margin (10.6% in the same period last year);
- ❑ Split of **Net Result**: 91% to Group Owners, 9% to NCI. Additional acquisition of NCI: 10% in Arad Group of companies, 10% in Almina, 4% in Oncoteam and 30% in RMC Hungary;
- ❑ **Pro-forma adj.** include financial results of the Acquired Companies (Sales of **RON 65.2m**) less subsidies received at Group level from NHH in relation to the National Health Program for chemotherapy drugs (Sales of **RON 60.4m**) and exclusion of one-off expenses mainly related to M&A process of **RON 3.2m**;

## Operational KPIs –business lines evolution and bridge to pro-forma figures

| Business line | Info           | 6m 2021 IFRS       | 6m 2022 IFRS       | %VAR           | Share of total IFRS Sales | Pro-forma adj.      | 6m 2022 Pro-forma  | %VAR           | Share of total Pro-forma Sales |
|---------------|----------------|--------------------|--------------------|----------------|---------------------------|---------------------|--------------------|----------------|--------------------------------|
| Clinics       | <b>Revenue</b> | <b>194,244,223</b> | <b>288,641,376</b> | <b>48.6%</b>   | <b>33.5%</b>              | <b>14,610,781</b>   | <b>303,252,157</b> | <b>56.1%</b>   | <b>35.1%</b>                   |
| Clinics       | Visits         | 1,118,174          | 1,389,476          | 24.3%          |                           |                     |                    |                |                                |
| Clinics       | Avg fee        | 173.7              | 207.7              | 19.6 %         |                           |                     |                    |                |                                |
| Stomatology   | <b>Revenue</b> | <b>46,261,681</b>  | <b>56,062,067</b>  | <b>21.2%</b>   | <b>6.5%</b>               | <b>-</b>            | <b>56,062,067</b>  | <b>21.2%</b>   | <b>6.5%</b>                    |
| Stomatology   | Visits         | 74,097             | 91,922             | 24.1%          |                           |                     |                    |                |                                |
| Stomatology   | Avg fee        | 624.3              | 609.9              | (2.3)%         |                           |                     |                    |                |                                |
| Hospitals     | <b>Revenue</b> | <b>157,738,345</b> | <b>180,421,028</b> | <b>14.4%</b>   | <b>21.0%</b>              | <b>(12,339,953)</b> | <b>168,081,075</b> | <b>6.6%</b>    | <b>19.4%</b>                   |
| Hospitals     | Patients       | 50,331             | 57,212             | 13.7%          |                           |                     |                    |                |                                |
| Hospitals     | Avg fee        | 3,134.1            | 3,153.5            | 0.6 %          |                           |                     |                    |                |                                |
| Laboratories  | <b>Revenue</b> | <b>142,421,658</b> | <b>107,200,195</b> | <b>(24.7)%</b> | <b>12.5%</b>              | <b>1,569,334</b>    | <b>108,769,529</b> | <b>(23.6)%</b> | <b>12.6%</b>                   |
| Laboratories  | Analyses       | 4,220,816          | 3,486,651          | (17.4)%        |                           |                     |                    |                |                                |
| Laboratories  | Avg fee        | 33.7               | 30.7               | (8.9)%         |                           |                     |                    |                |                                |
| Corporate     | <b>Revenue</b> | <b>103,467,517</b> | <b>107,751,134</b> | <b>4.1%</b>    | <b>12.5%</b>              | <b>77,114</b>       | <b>107,828,248</b> | <b>4.2%</b>    | <b>12.5%</b>                   |
| Corporate     | Subscriptions  | 731,736            | 772,219            | 5.5%           |                           |                     |                    |                |                                |
| Corporate     | Avg fee        | 141.4              | 139.5              | (1.3)%         |                           |                     |                    |                |                                |
| Pharmacies    | <b>Revenue</b> | <b>23,423,761</b>  | <b>35,279,714</b>  | <b>50.6%</b>   | <b>4.1%</b>               | <b>-00</b>          | <b>35,279,714</b>  | <b>50.6%</b>   | <b>4.1%</b>                    |
| Pharmacies    | Clients        | 99,925             | 279,202            | 179.4%         |                           |                     |                    |                |                                |
| Pharmacies    | Sales per      | 234.4              | 126.4              | (46.1)%        |                           |                     |                    |                |                                |
| Others        | <b>Revenue</b> | <b>9,733,230</b>   | <b>85,040,382</b>  | <b>773.7%</b>  | <b>9.9%</b>               | <b>821,923</b>      | <b>85,862,305</b>  | <b>782.2%</b>  | <b>9.9%</b>                    |
| <b>Total</b>  |                | <b>677,290,415</b> | <b>860,395,896</b> | <b>27.0%</b>   | <b>100.0%</b>             | <b>4,739,199</b>    | <b>865,135,095</b> | <b>27.7%</b>   | <b>100.0%</b>                  |

- ❑ On a pro-forma basis, Clinics remain the main sales unit of the group, with 35% share in total Sales: growth sustained mainly by increased traffic in all outpatient units and new acquisitions performed; we are confident that traffic in outpatient units is a good indicator of further demand in hospitals, labs and corporate divisions;
- ❑ Hospitals with 19.4% share in total Sales; pro-forma negative adj. on Hospitals is the result of OncoCard consolidation less reclass of subsidies received at Group level from NHIH in relation to the National Health Program for chemotherapy drugs. In Hospitals growth has been sustained mainly by increase in the number of patients by 14% YoY;
- ❑ Laboratories with 12.6% share in total Sales: decrease by 24% YoY due to significant decrease in PCR testing partially off-set by increase in the number of common lab tests;
- ❑ Corporate with 12.5% share in total Sales: subscriptions growth of 5.5% to 770k HPPs.

## OPEX evolution

| Description  |                    |                    |              | % of OPERATING EXPENSES |              |                 | % of SALES   |              |                 |
|--|--------------------|--------------------|--------------|-------------------------|--------------|-----------------|--------------|--------------|-----------------|
|  | 6m 2021            | 6m 2022            | %VAR         | 6m 2021                 | 6m 2022      | Change          | 6m 2021      | 6m 2022      | Change          |
|  | IFRS               | IFRS               |              | IFRS                    | IFRS         |                 |              |              |                 |
| Consumable materials and repair materials                      | 121,848,288        | 139,400,269        | 14.4%        | 21.1%                   | 17.5%        | -3.6 p.p        | 18.0%        | 16.2%        | -1.8 p.p        |
| Commodities  | 18,515,597         | 99,292,519         | 436.3%       | 3.2%                    | 12.5%        | 9.3 p.p         | 2.7%         | 11.5%        | 8.8 p.p         |
| Utilities  | 6,712,868          | 12,841,287         | 91.3%        | 1.2%                    | 1.6%         | 0.4 p.p         | 1.0%         | 1.5%         | 0.5 p.p         |
| Repairs maintenance  | 6,819,498          | 9,222,063          | 35.2%        | 1.2%                    | 1.2%         | 0 p.p           | 1.0%         | 1.1%         | 0.1 p.p         |
| Rent   | 4,579,968          | 5,604,813          | 22.4%        | 0.8%                    | 0.7%         | -0.1 p.p        | 0.7%         | 0.7%         | 0 p.p           |
| Insurance premiums   | 1,750,038          | 2,039,349          | 16.5%        | 0.3%                    | 0.3%         | 0 p.p           | 0.3%         | 0.2%         | 0 p.p           |
| Promotion expense  | 4,782,999          | 11,398,180         | 138.3%       | 0.8%                    | 1.4%         | 0.6 p.p         | 0.7%         | 1.3%         | 0.6 p.p         |
| Communications   | 2,383,800          | 2,520,952          | 5.8%         | 0.4%                    | 0.3%         | -0.1 p.p        | 0.4%         | 0.3%         | -0.1 p.p        |
| Third party expenses & Salaries expenses, <i>out of which:</i> | 348,751,635        | 436,586,432        | 25.2%        | 60.5%                   | 54.9%        | -5.6 p.p        | 51.5%        | 50.7%        | -0.7 p.p        |
| <i>Third party expenses (including doctor's agreements)</i>    | <i>183,825,118</i> | <i>224,064,799</i> | <i>21.9%</i> | <i>31.9%</i>            | <i>28.2%</i> | <i>-3.7 p.p</i> | <i>27.1%</i> | <i>26.0%</i> | <i>-1.1 p.p</i> |
| <i>Salary and related expenses (including social contrib.)</i> | <i>164,926,517</i> | <i>212,521,633</i> | <i>28.9%</i> | <i>28.6%</i>            | <i>26.7%</i> | <i>-1.9 p.p</i> | <i>24.4%</i> | <i>24.7%</i> | <i>0.3 p.p</i>  |
| Depreciation   | 52,755,571         | 66,516,069         | 26.1%        | 9.2%                    | 8.4%         | -0.8 p.p        | 7.8%         | 7.7%         | -0.1 p.p        |
| Impairment / Release under IFRS 9 provision on TR              | 1,888,200          | -                  | -100.0%      | 0.3%                    | 0.0%         | -0.3 p.p        | 0.3%         | 0.0%         | -0.3 p.p        |
| Other administration and operating expenses                    | 5,738,165          | 10,054,668         | 75.2%        | 1.0%                    | 1.3%         | 0.3 p.p         | 0.8%         | 1.2%         | 0.3 p.p         |
| <b>OPERATING EXPENSES</b>                                      | <b>576,526,627</b> | <b>795,476,602</b> | <b>38.0%</b> | <b>100%</b>             | <b>100%</b>  | <b>0 p.p</b>    | <b>85.1%</b> | <b>92.5%</b> | <b>7.3 p.p</b>  |

### Drivers for increased costs:

- Decrease in Consumable materials and repair materials with **1.8 p.p.** of Sales due to significant decrease in PCR testing off-set by NeoLife consolidation of chemotherapy drugs consumables;
- Increase in Commodities with **8.8 p.p.** of Sales due to consolidation of CED Pharma Group and Pharmachem Distribution company;
- Increase in Utilities with **0.5 p.p.** of Sales;
- Increase in Promotion expenses with **0.6 p.p.** of Sales due to increase in marketing campaigns and projects;

# Consolidated Statement of Financial Position

| Description  | December 31,<br>2021<br>IFRS | June 30,<br>2022<br>IFRS | %VAR         |
|--|------------------------------|--------------------------|--------------|
| Non-current assets   | 1,034,769,069                | 1,323,064,431            | 27.9%        |
| Current assets, excluding Cash and cash equivalents          | 246,974,271                  | 329,582,486              | 33.4%        |
| Cash and cash equivalents                                    | 135,858,888                  | 107,406,066              | -20.9%       |
| <b>TOTAL ASSETS</b>  | <b>1,417,602,228</b>         | <b>1,760,052,983</b>     | <b>24.2%</b> |
| Current liabilities (excluding interest bearing liabilities) | 278,030,456                  | 339,654,619              | 22.2%        |
| Financial Debt   | 727,061,202                  | 957,414,448              | 31.7%        |
| Other long term debt   | 7,546,394                    | 6,572,698                | (12.9)%      |
| Deferred tax liability                                       | 23,559,617                   | 24,155,844               | 2.5%         |
| <b>TOTAL LIABILITIES</b>                                     | <b>1,036,197,669</b>         | <b>1,327,797,609</b>     | <b>28.1%</b> |
| Equity attributable to owners of the Group                   | 338,109,409                  | 379,481,864              | 12.2%        |
| Non-controlling interests                                    | 43,295,149                   | 52,773,510               | 21.9%        |
| <b>EQUITY</b>  | <b>381,404,558</b>           | <b>432,255,373</b>       | <b>13.3%</b> |



## Debt position

### Leasing liabilities

|                             | December 31,<br>2021<br>IFRS | June 30,<br>2022<br>IFRS | %VAR         |
|-----------------------------|------------------------------|--------------------------|--------------|
| current portion - leasing   | 52,586,827                   | 61,514,483               | 17.0%        |
| long term portion - leasing | 149,685,246                  | 182,927,880              | 22.2%        |
| <b>Total</b>                | <b>202,272,073</b>           | <b>244,442,362</b>       | <b>20.8%</b> |

### Financial debt

|                                   | December 31,<br>2021<br>IFRS | June 30,<br>2022<br>IFRS | %VAR         |
|-----------------------------------|------------------------------|--------------------------|--------------|
| Overdraft                         | 25,493,223                   | 32,136,239               | 26.1 %       |
| Current portion of long-term debt | 58,455,422                   | 67,934,026               | 16.2%        |
| Long-term debt                    | 440,840,484                  | 612,901,821              | 39.0%        |
| <b>Total</b>                      | <b>524,789,129</b>           | <b>712,972,086</b>       | <b>35.9%</b> |
| <b>Net Debt</b>                   | <b>591,202,314</b>           | <b>850,008,382</b>       | <b>43.8%</b> |
| Net debt to EBITDA ratio          | 2.1                          | 2.9                      |              |



# Consolidated Statement of Cash Flow

| Description  | June 30,            | June 30,             |
|--|---------------------|----------------------|
|  | 2021                | 2022                 |
|  | IFRS                | IFRS                 |
| <b>Net income before taxes</b>   | <b>85,250,746</b>   | <b>52,701,873</b>    |
| Adjustments for non-monetary items   | 70,843,226          | 80,420,554           |
| <b>Operating cash flow before working capital and other monetary changes</b> | <b>156,093,972</b>  | <b>133,122,427</b>   |
| Cash used in working capital changes   | (20,011,558)        | (28,356,687)         |
| Other monetary changes (income tax and net interest paid)                    | (25,484,806)        | (19,096,425)         |
| <b>Net cash from operating activities</b>                                    | <b>110,597,608</b>  | <b>85,669,314</b>    |
| <b>Net cash used in investing activities</b>                                 | <b>(54,423,537)</b> | <b>(244,886,197)</b> |
| <b>Net cash from/ (used in) financing activities</b>                         | <b>(8,052,006)</b>  | <b>130,764,061</b>   |
| <b>Net change in cash and cash equivalents</b>                               | <b>48,122,065</b>   | <b>(28,452,822)</b>  |
| Cash and cash equivalents beginning of the period                            | 81,970,397          | 135,858,888          |
| <b>Cash and cash equivalents end of the period</b>                           | <b>130,092,462</b>  | <b>107,406,066</b>   |

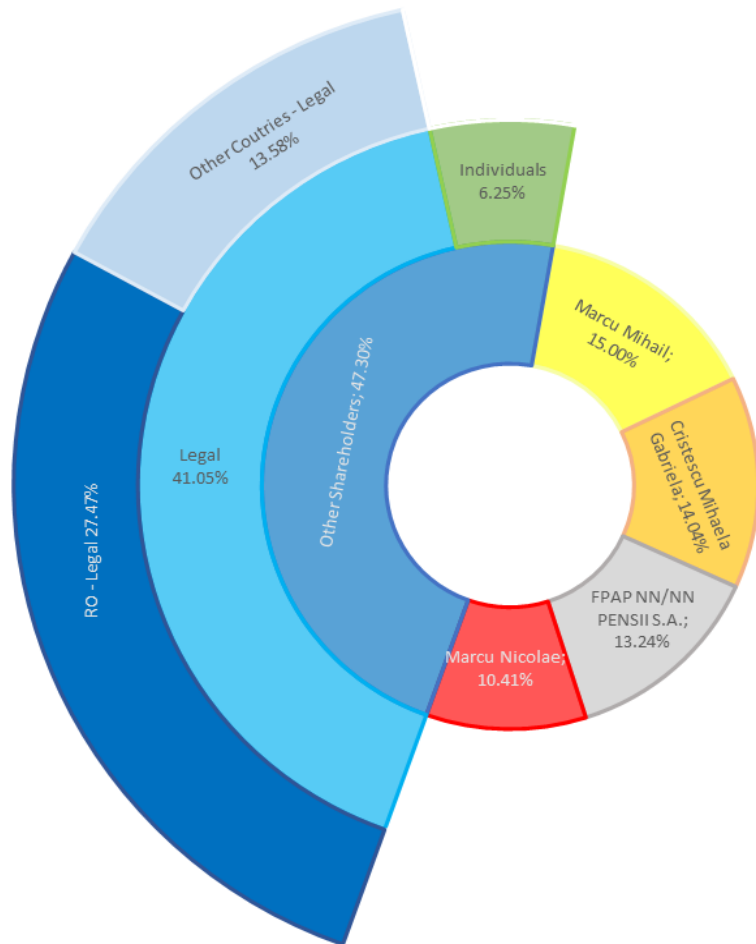
- ❑ Strong cash flow from operations before working capital changes at RON 133m, in line with EBITDA;
- ❑ 4.5 X increase in investments YoY, to RON 245m mainly due to investment in business combination;
- ❑ Net cash from financing activities of RON 130m RON.

| Description                                  | June 30,            | June 30,             |
|--|---------------------|----------------------|
|  | 2021                | 2022                 |
|  | IFRS                | IFRS                 |
| Investment in business combination           | (18,508,479)        | (178,984,135)        |
| Additional participation interest acquired   | (630,592)           | (7,777,676)          |
| Purchase of intangible assets                | (1,644,395)         | (4,497,399)          |
| Purchase of property, plant and equipment    | (33,640,071)        | (53,626,988)         |
| <b>Net cash used in investing activities</b> | <b>(54,423,537)</b> | <b>(244,886,197)</b> |



# Annexes

# Shareholder structure as of 31 August 2022



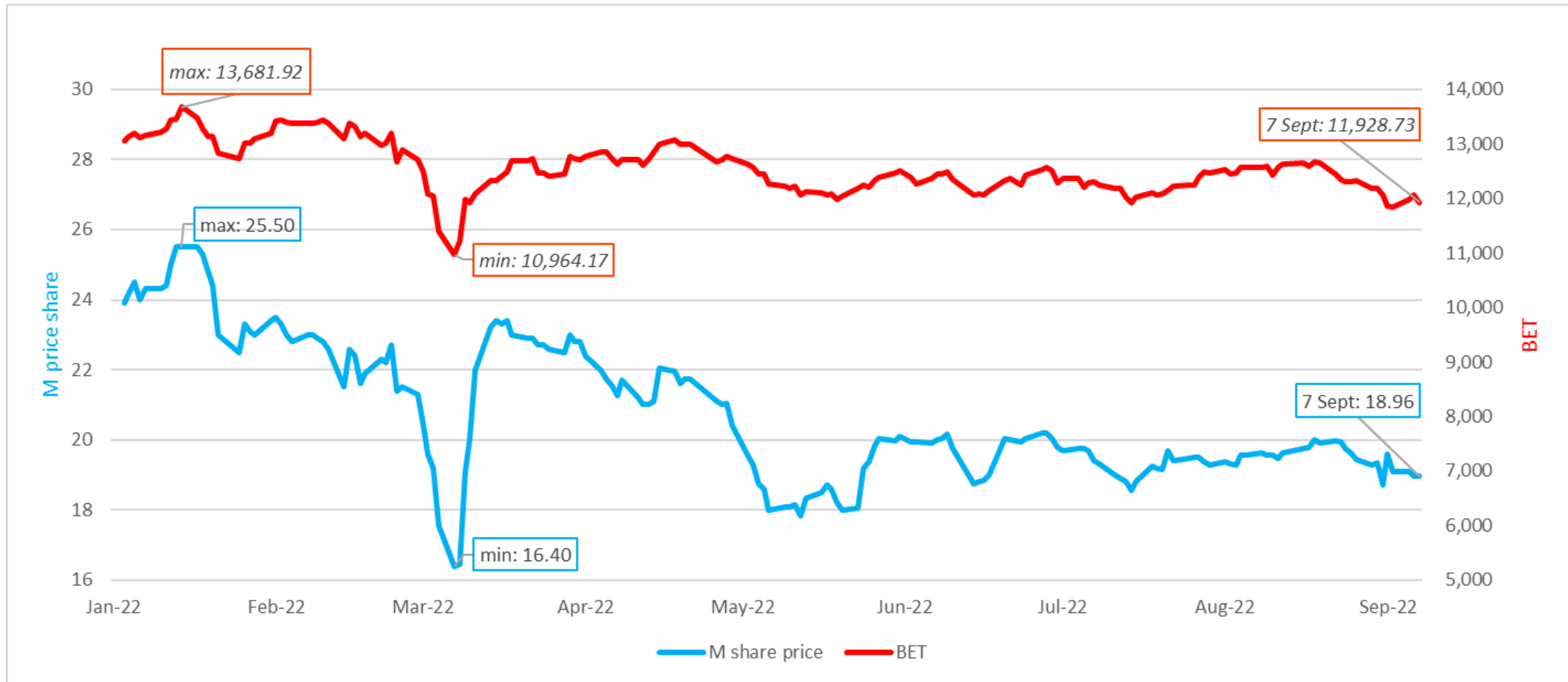
- ❑ The shares of MedLife SA are traded since the 2017 IPO on the Bucharest Stock Exchange, at Premium Category, with the “M” trading symbol.
- ❑ Besides Marcu Family, with a total holding of 39.45% of the share capital, around 200 legal entities, both from Romania and abroad, and over 9,000 individuals hold approximately 60.5% of the total number of shares with voting rights.

| Shareholder                | Shares      | Percent of share capital |
|----------------------------|-------------|--------------------------|
| Marcu Mihail               | 19,932,307  | 15.00%                   |
| Cristescu Mihaela Gabriela | 18,660,690  | 14.04%                   |
| FPAP NN/NN Pensii S.A.     | 17,589,235  | 13.24%                   |
| Marcu Nicolae              | 13,835,400  | 10.41%                   |
| Legal persons*             | 54,543,743  | 41.05%                   |
| Individual persons         | 8,309,117   | 6.25%                    |
| Total                      | 132,870,492 | 100.00%                  |

\*Allianz-Tiriac Pensii Private holds between 5 and 10% of the total number of shares with voting rights

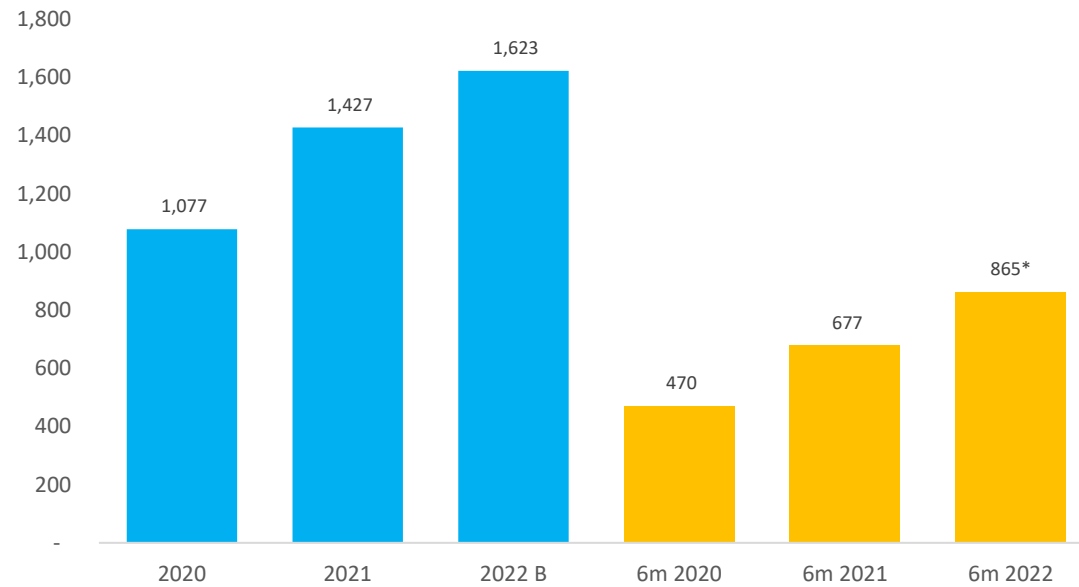


# MedLife (M) share evolution vs. BET 1 Jan – 7 Sept 2022

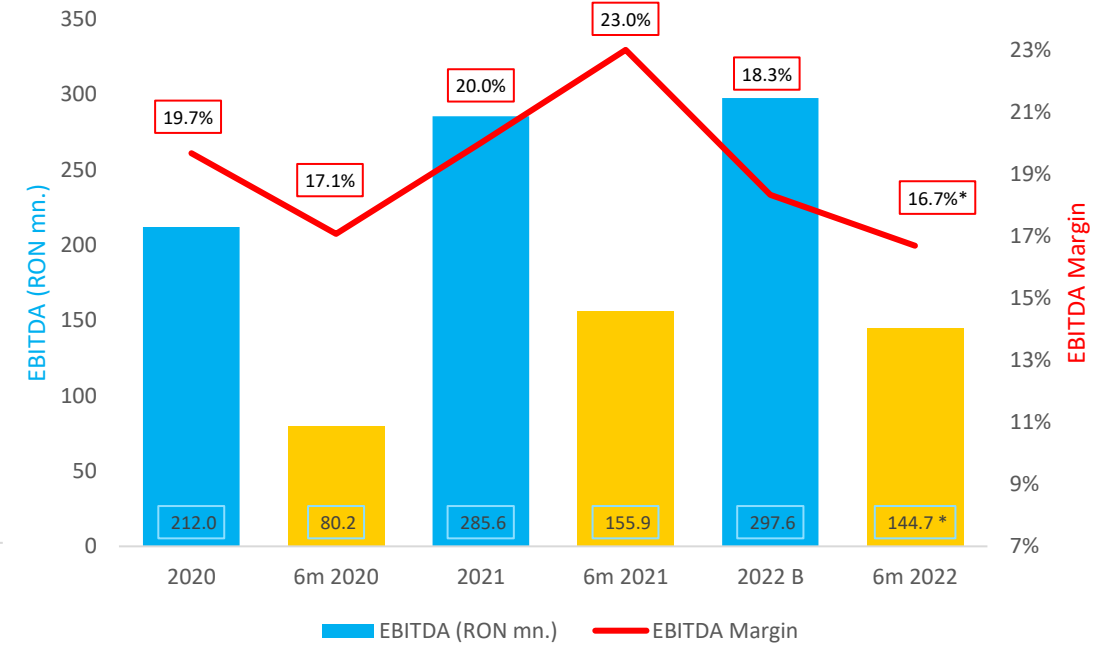


The evolution of the MedLife share price during the analyzed period is in line with the evolution of the BET index, with no notable deviations

Sales evolution YoY (RON mn.) 2020 - 2022



EBITDA evolution YoY (RON mn.) 2020 - 2022

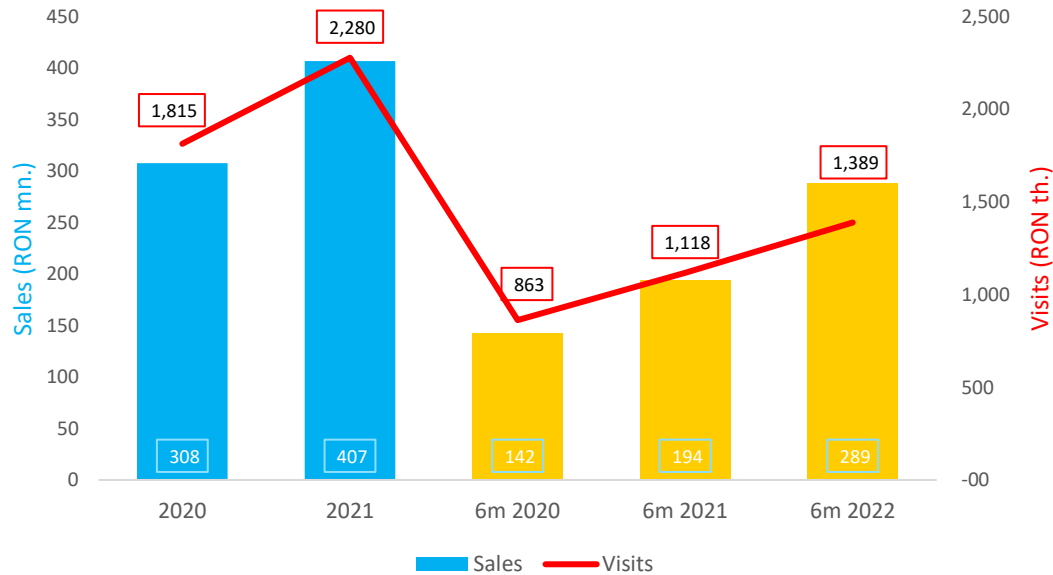


IFRS Figures

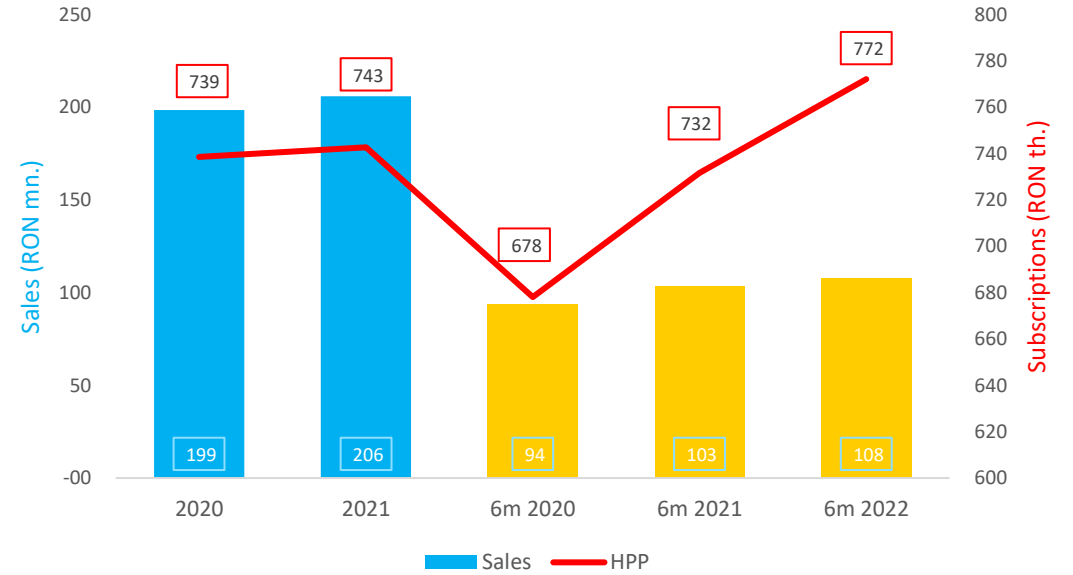
\* The 6m figures are based on Pro-Forma

# Business lines evolution past 3 years: Sales and traffic

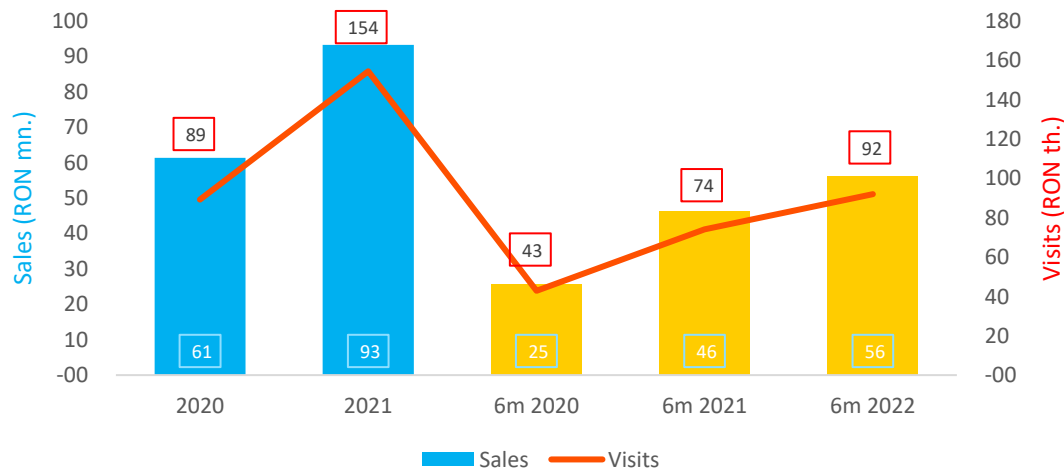
### Sales and Visits in Clinics 2020 - 2022



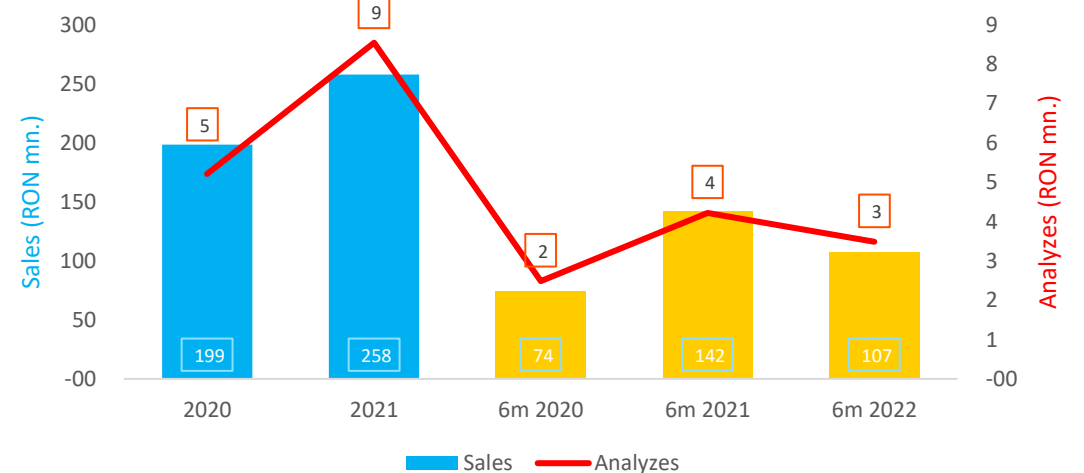
### Corporate Sales and Subscriptions 2020 - 2022



### Sales and Visits in Stomatology business line 2020 - 2022

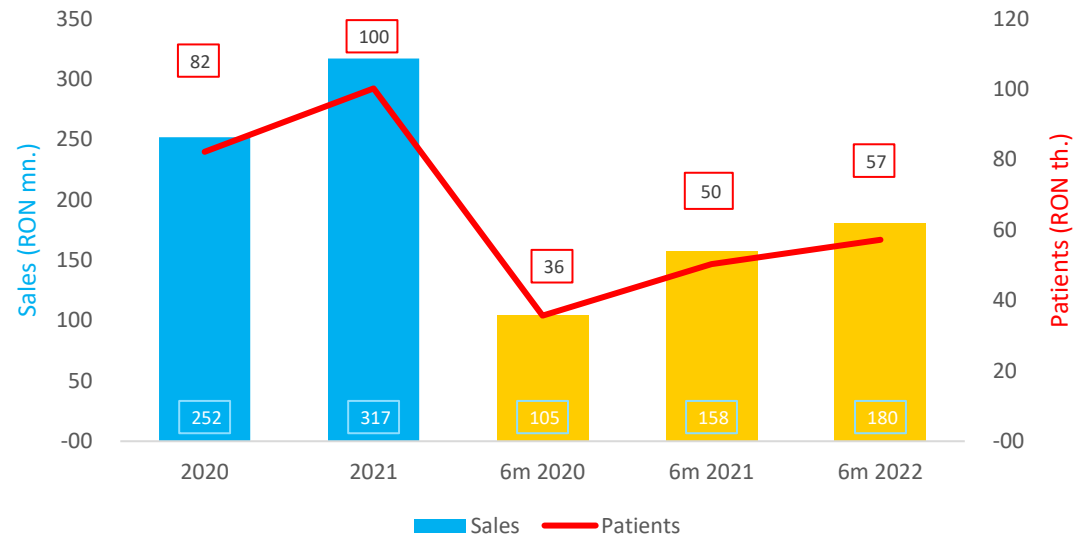


### Sales and Analysis performed in Laboratories 2020 -2022

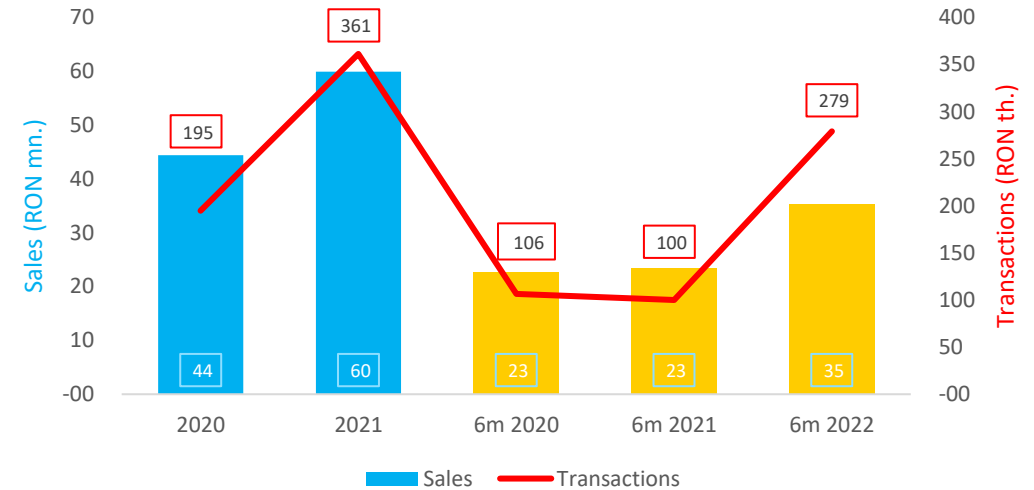


# Business lines evolution past 3 years: Sales and traffic

## Sales and Patients in Hospitals 2020 - 2022



## Sales and Transactions (clients) in Pharmacies 2020 - 2022



|  | June 30,<br>2022     | January 1,<br>2022   | Variation<br>2022/2021 |
|--|----------------------|----------------------|------------------------|
| <b>ASSETS</b>  |                      |                      |                        |
| <b>Non-current Assets</b>                                |                      |                      |                        |
| Goodwill   | 320,560,813          | 199,679,613          | 60.5%                  |
| Intangible assets  | 66,864,308           | 60,556,655           | 10.4%                  |
| Property, plant and equipment                            | 681,071,986          | 552,206,613          | 23.3%                  |
| Right-of-use asset                                       | 217,205,189          | 190,715,602          | 13.9%                  |
| Other financial assets                                   | 37,362,134           | 31,610,586           | 18.2%                  |
| <b>Total Non-Current Assets</b>                          | <b>1,323,064,431</b> | <b>1,034,769,069</b> | <b>27.9%</b>           |
| <b>Current Assets</b>                                    |                      |                      |                        |
| Inventories  | 86,884,419           | 74,229,585           | 17.0%                  |
| Trade Receivables  | 185,791,680          | 140,356,238          | 32.4%                  |
| Other assets   | 43,443,444           | 24,357,734           | 78.4%                  |
| Cash and cash equivalents                                | 107,406,066          | 135,858,888          | -20.9%                 |
| Prepayments  | 13,462,943           | 8,030,713            | 67.6%                  |
| <b>Total Current Assets</b>                              | <b>436,988,552</b>   | <b>382,833,158</b>   | <b>14.1%</b>           |
| <b>TOTAL ASSETS</b>                                      | <b>1,760,052,983</b> | <b>1,417,602,227</b> | <b>24.2%</b>           |
| <b>LIABILITIES &amp; SHAREHOLDER'S EQUITY</b>            |                      |                      |                        |
| <b>Non-Current Liabilities</b>                           |                      |                      |                        |
| Lease liability  | 182,927,880          | 149,685,246          | 22.2%                  |
| Other long term debt                                     | 6,572,698            | 7,546,394            | -12.9%                 |
| Interest-bearing loans and borrowings                    | 612,901,821          | 440,840,484          | 39.0%                  |
| Deferred tax liability                                   | 24,155,844           | 23,559,617           | 2.5%                   |
| <b>Total Non-Current Liabilities</b>                     | <b>826,558,243</b>   | <b>621,631,741</b>   | <b>33.0%</b>           |
| <b>Current Liabilities</b>                               |                      |                      |                        |
| Trade and other payables                                 | 275,982,822          | 224,242,318          | 23.1%                  |
| Overdraft  | 32,136,239           | 25,493,223           | 26.1%                  |
| Current portion of lease liability                       | 61,514,483           | 52,586,827           | 17.0%                  |
| Current portion of interest-bearing loans and borrowings | 67,934,026           | 58,455,422           | 16.2%                  |
| Current tax liabilities                                  | 1,583,339            | 1,467,625            | 7.9%                   |
| Provisions   | 8,132,337            | 7,992,337            | 1.8%                   |
| Other non-financial liabilities                          | 53,956,121           | 44,328,176           | 21.7%                  |
| <b>Total Current Liabilities</b>                         | <b>501,239,367</b>   | <b>414,565,928</b>   | <b>20.9%</b>           |
| <b>TOTAL LIABILITIES</b>                                 | <b>1,327,797,609</b> | <b>1,036,197,669</b> | <b>28.1%</b>           |
| <b>SHAREHOLDER'S EQUITY</b>                              |                      |                      |                        |
| Share capital and Share premium                          | 83,812,556           | 82,395,091           | 1.7%                   |
| Treasury shares  | (1,566,118)          | (4,015,977)          | -61.0%                 |
| Reserves   | 139,092,621          | 137,335,499          | 1.3%                   |
| Retained earnings  | 158,142,805          | 122,394,796          | 29.2%                  |
| <b>Equity attributable to owners of the Group</b>        | <b>379,481,864</b>   | <b>338,109,409</b>   | <b>12.2%</b>           |
| Non-controlling interests                                | 52,773,510           | 43,295,149           | 21.9%                  |
| <b>TOTAL EQUITY</b>                                      | <b>432,255,373</b>   | <b>381,404,558</b>   | <b>13.3%</b>           |
| <b>TOTAL LIABILITIES AND EQUITY</b>                      | <b>1,760,052,982</b> | <b>1,417,602,227</b> | <b>24.2%</b>           |

|  | Period ended June 30, |                      | Variation     |
|--|-----------------------|----------------------|---------------|
|  | 2022                  | 2021                 |               |
| REVENUE FROM CONTRACTS WITH CUSTOMERS                    | 860,395,896           | 677,290,415          | 27.0%         |
| Other operating revenues                                 | 4,258,600             | 2,361,661            | 80.3%         |
| <b>Operating Income</b>                                  | <b>864,654,496</b>    | <b>679,652,076</b>   | <b>27.2%</b>  |
| Consumable materials and repair materials                | (139,400,269)         | (121,848,288)        | 14.4%         |
| Third party expenses                                     | (224,064,799)         | (183,825,118)        | 21.9%         |
| Salary and related expenses                              | (205,158,993)         | (159,297,440)        | 28.8%         |
| Social contributions                                     | (7,362,640)           | (5,629,077)          | 30.8%         |
| Depreciation and amortization                            | (66,516,069)          | (52,755,571)         | 26.1%         |
| Impairment losses and gains (including reversals of)     | -                     | (1,888,200)          | -100.0%       |
| Commodities expenses                                     | (99,292,519)          | (18,515,597)         | 436.3%        |
| Other operating expenses                                 | (53,681,312)          | (32,767,336)         | 63.8%         |
| <b>Operating expenses</b>                                | <b>(795,476,602)</b>  | <b>(576,526,627)</b> | <b>38.0%</b>  |
| <b>Operating Profit</b>                                  | <b>69,177,894</b>     | <b>103,125,449</b>   | <b>-32.9%</b> |
| Finance cost   | (16,094,864)          | (12,314,202)         | 30.7%         |
| Other financial expenses                                 | (381,157)             | (5,560,501)          | -93.1%        |
| <b>Financial result</b>                                  | <b>(16,476,021)</b>   | <b>(17,874,703)</b>  | <b>-7.8%</b>  |
| <b>Result Before Taxes</b>                               | <b>52,701,873</b>     | <b>85,250,746</b>    | <b>-38.2%</b> |
| Income tax expense                                       | (7,054,906)           | (13,699,390)         | -48.5%        |
| <b>Net Result</b>  | <b>45,646,967</b>     | <b>71,551,356</b>    | <b>-36.2%</b> |
| Owners of the Group                                      | 41,618,275            | 64,393,437           | -35.4%        |
| Non-controlling interests                                | 4,028,692             | 7,157,919            | -43.7%        |
| <b>Other comprehensive income items that will</b>        |                       |                      |               |
| <b>TOTAL OTHER COMPREHENSIVE INCOME</b>                  | <b>-</b>              | <b>-</b>             | <b>0.0%</b>   |
| <b>Total other comprehensive income attributable to:</b> |                       |                      |               |
| Owners of the Group                                      | -                     | -                    | 0.0%          |
| Non-controlling interests                                | -                     | -                    | 0.0%          |
| <b>TOTAL COMPREHENSIVE INCOME</b>                        | <b>45,646,967</b>     | <b>71,551,356</b>    | <b>-36.2%</b> |
| <b>Total comprehensive income attributable to:</b>       |                       |                      |               |
| Owners of the Group                                      | 41,618,275            | 64,393,437           | -35.4%        |
| Non-controlling interests                                | 4,028,692             | 7,157,919            | -43.7%        |

|   | Period ended<br>June 30,<br>2022 | Period ended<br>June 30,<br>2021 |
|---|----------------------------------|----------------------------------|
| <b>Net profit before taxes</b>                            | <b>52,701,873</b>                | <b>85,250,746</b>                |
| <b>Adjustments for</b>                                    |                                  |                                  |
| Depreciation and amortization                             | 66,516,069                       | 52,755,571                       |
| Provisions for liabilities and charges                    | -                                | (319,327)                        |
| Interest revenue  | (390,326)                        | (74,069)                         |
| Interest expense  | 16,094,864                       | 12,314,202                       |
| Allowance for doubtful debts and receivables written-off  | -                                | 1,791,488                        |
| Financial Discounts                                       | -                                | 2,719                            |
| Other non-monetary gains                                  | (2,595,553)                      | -                                |
| Unrealized exchange loss                                  | 795,499                          | 4,372,642                        |
| <b>Operating cash flow before working capital changes</b> | <b>133,122,427</b>               | <b>156,093,972</b>               |
| Decrease / (increase) in accounts receivable              | (8,291,563)                      | (25,363,361)                     |
| Decrease / (increase) in inventories                      | (623,827)                        | 5,294,604                        |
| Decrease / (increase) in prepayments                      | (2,754,309)                      | (2,969,365)                      |
| Increase / (decrease) in accounts payable                 | (16,686,988)                     | 3,026,564                        |
| <b>Cash generated from working capital changes</b>        | <b>(28,356,687)</b>              | <b>(20,011,558)</b>              |
| <b>Cash generated from operations</b>                     | <b>104,765,740</b>               | <b>136,082,414</b>               |
| Income Tax Paid   | (6,939,690)                      | (13,410,846)                     |
| Interest Paid   | (12,547,061)                     | (12,148,029)                     |
| Interest received   | 390,326                          | 74,069                           |
| <b>Net cash from operating activities</b>                 | <b>85,669,314</b>                | <b>110,597,608</b>               |
| Acquisition of subsidiaries, net of cash acquired         | (178,984,135)                    | (18,508,479)                     |
| Additional participation interest acquired                | (7,777,676)                      | (630,592)                        |
| Purchase of intangible assets                             | (4,497,399)                      | (1,644,395)                      |
| Purchase of property, plant and equipment                 | (53,626,988)                     | (33,640,071)                     |
| <b>Net cash used in investing activities</b>              | <b>(244,886,197)</b>             | <b>(54,423,537)</b>              |
| Proceeds from loans                                       | 184,310,135                      | 31,578,671                       |
| Payment of loans  | (19,179,945)                     | (18,863,978)                     |
| Lease payments  | (28,101,478)                     | (20,696,640)                     |
| Dividends paid to NCI                                     | (30,000)                         | (70,000)                         |
| Payments for purchase of treasury shares                  | (6,234,651)                      | (59)                             |
| <b>Net cash from/(used in) financing activities</b>       | <b>130,764,061</b>               | <b>(8,052,006)</b>               |
| <b>Net change in cash and cash equivalents</b>            | <b>(28,452,822)</b>              | <b>48,122,065</b>                |
| Cash and cash equivalents beginning of the period         | 135,858,888                      | 81,970,397                       |
| <b>Cash and cash equivalents end of the period</b>        | <b>107,406,066</b>               | <b>130,092,462</b>               |