

# Romania and Frontier Investor Days

September 2023



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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 CAGR for private healthcare of 10% over 2023 – 2027
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, with only 25% from NHIH
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 2023

- Key messages
- Outlook

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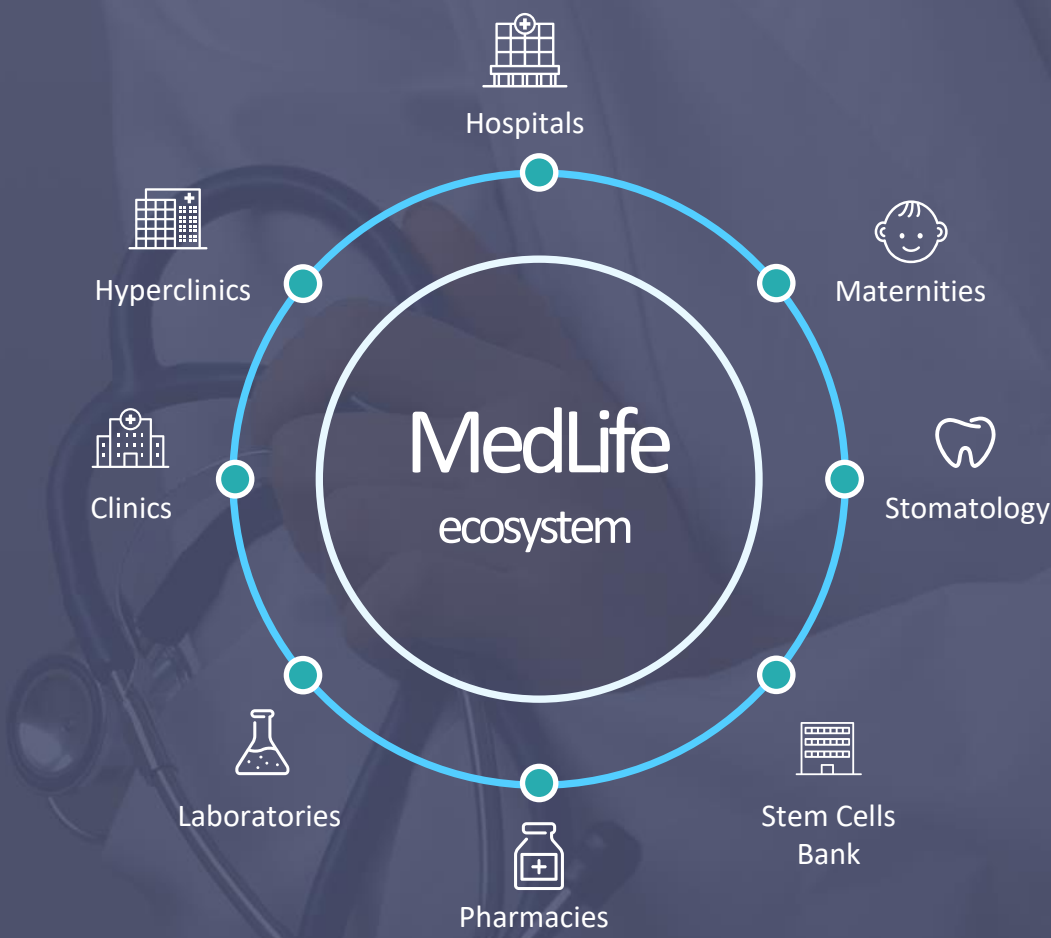
## Financial overview

- 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



6 million  
unique patients

# Introduction to MedLife Medical System

Founded in 1994, 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, one of the largest dental clinic networks in Romania. 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 entered 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.

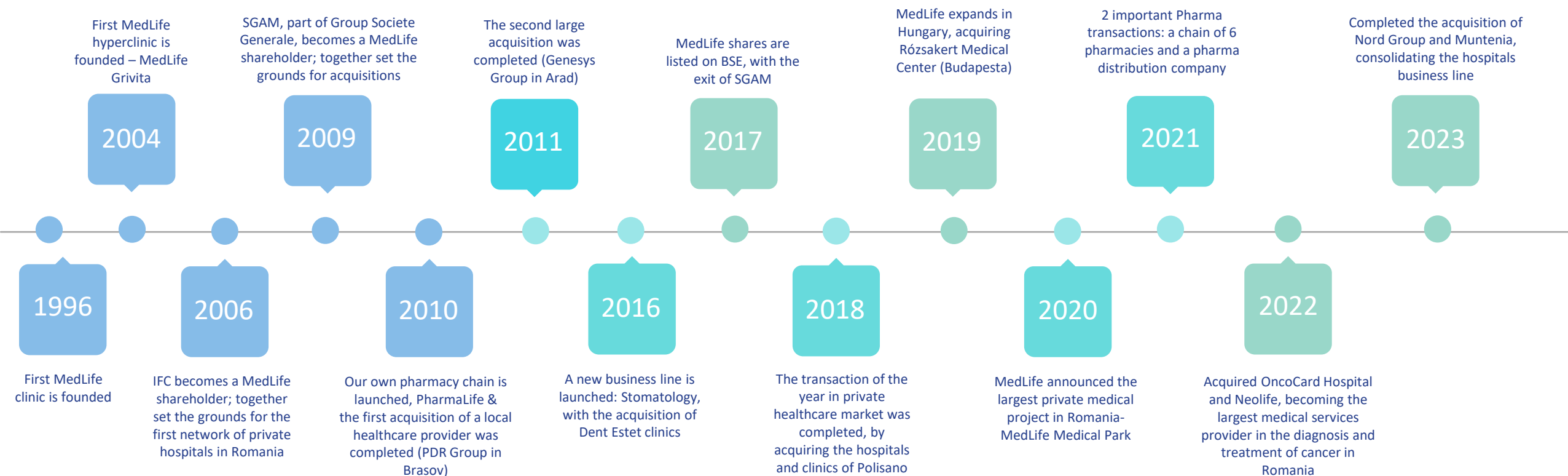
In 2019 MedLife crossed the country's borders and announced the first international transaction through the acquisition of 51% stake in Rózsakert Medical Center (RMC) Group of companies, one of top 10 medical services providers in Hungary.

Throughout its history, MedLife Group have had over 6 million unique patients.

MedLife Group has a successful history as regards both organic growth and growth by acquisitions. Starting with 2009 onwards, MedLife completed over 40 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

# Evolution



## Completed acquisitions include (selection):

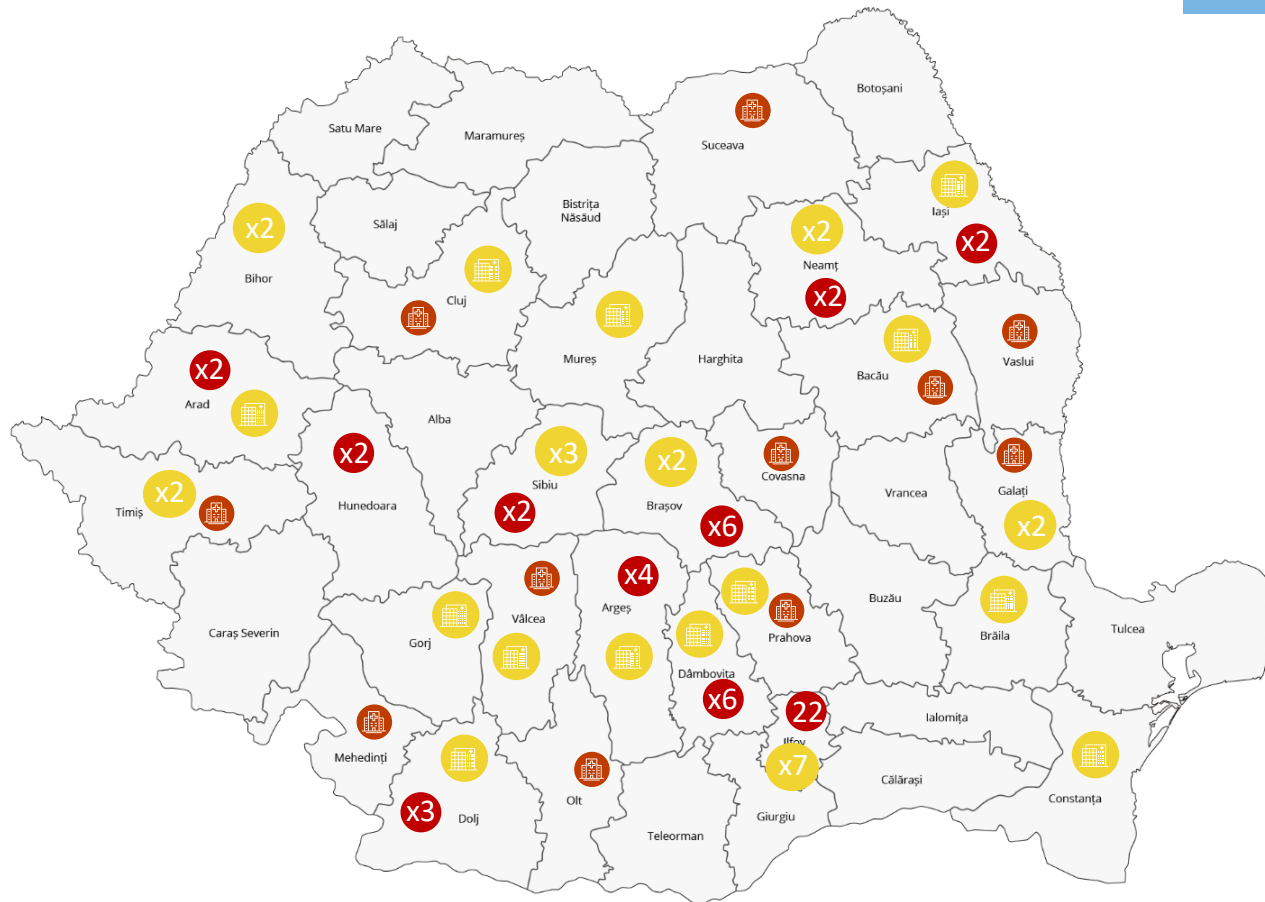
1. PDR Group in Brasov ( 83.01% ownership) – multidisciplinary hospital, outpatient units and labs;
2. Genesys Grup in Arad (83% ownership) - multidisciplinary hospital, outpatient units and labs;
3. Sama Medical Center (90% ownership) – outpatient units, day hospitalization and labs in Craiova and other 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
33. Nord Group (51%) – important provider in Bucharest, with a new large hospital under construction;



# 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;

**35**  
Hyperclinics

**70**  
Clinics



Stomatology Centers

MedLife Excellence Centers

MedLife Hospitals

MedLife Maternities

MedLife Stem Cells Bank

MedLife Laboratories

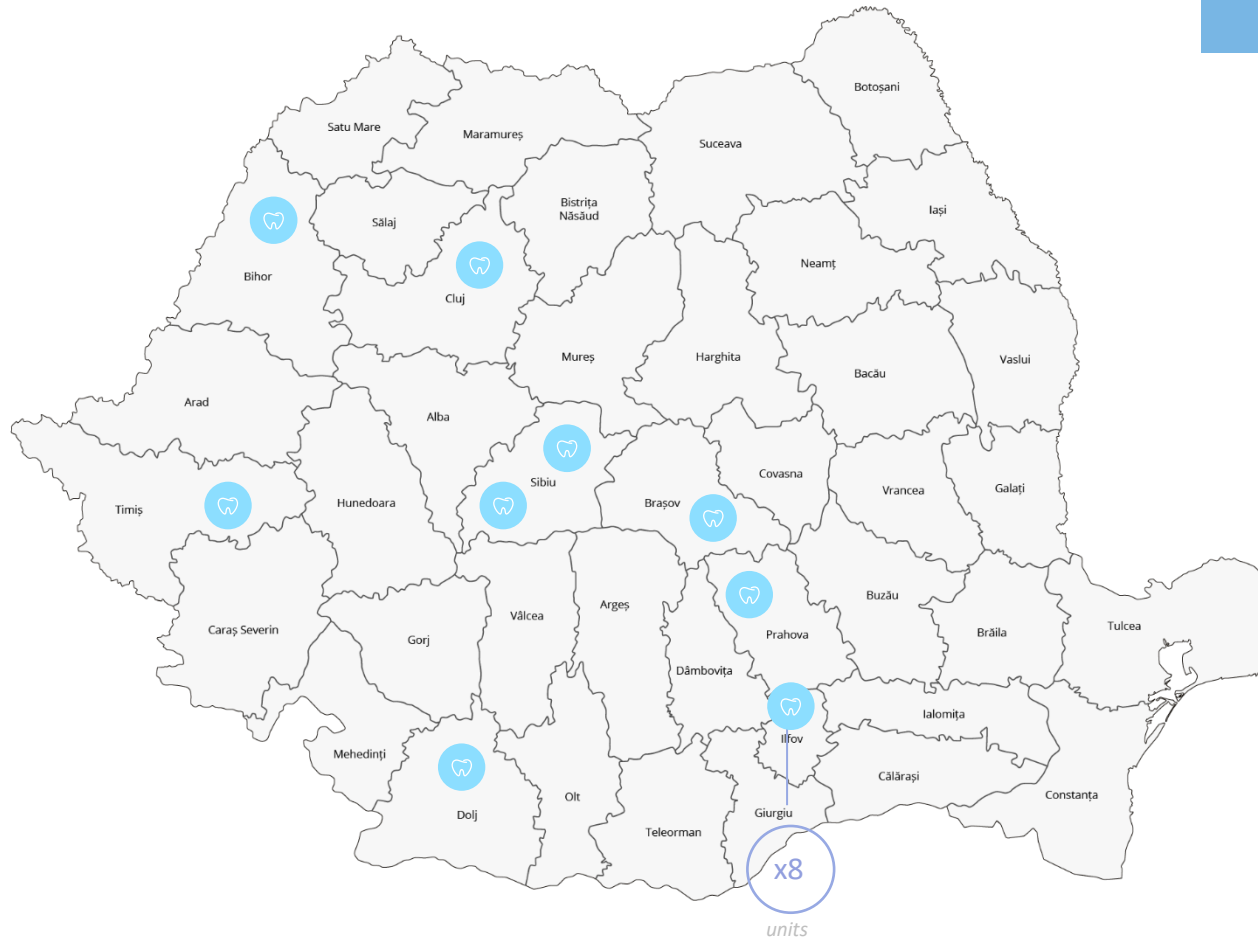
PharmaLife

# 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: 17 medical units with 3 acquisitions completed (Krondent 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
- One stomatology center in Hungary

**18**  
Stomatology  
centers

- MedLife Clinics
- Stomatology Centers
- MedLife Excellence Centers
- MedLife Hospitals
- MedLife Maternities
- MedLife Stem Cells Bank
- MedLife Laboratories
- PharmaLife

# MedLife Hospitals



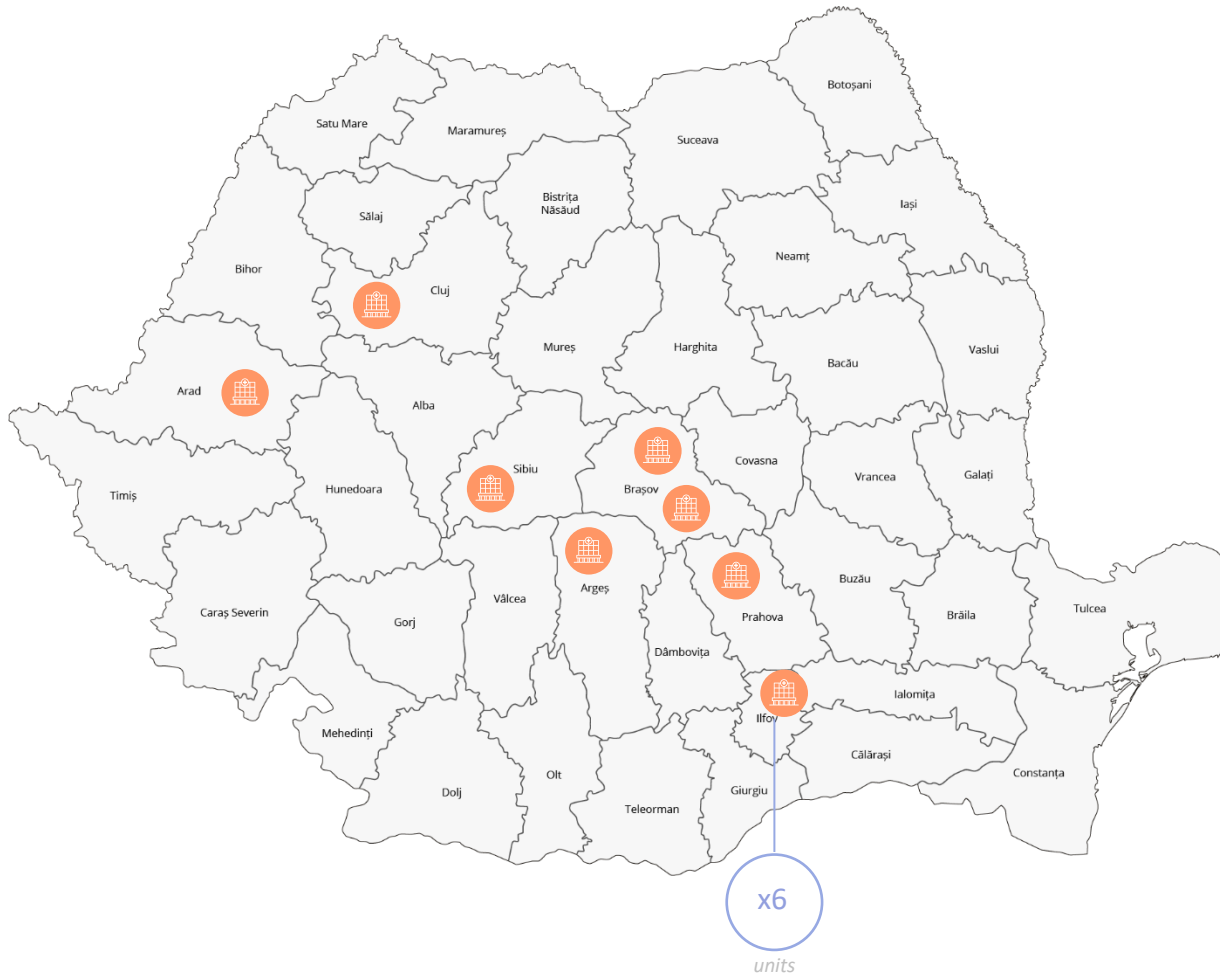
The largest network of private hospitals in Romania, with 975 beds

## 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

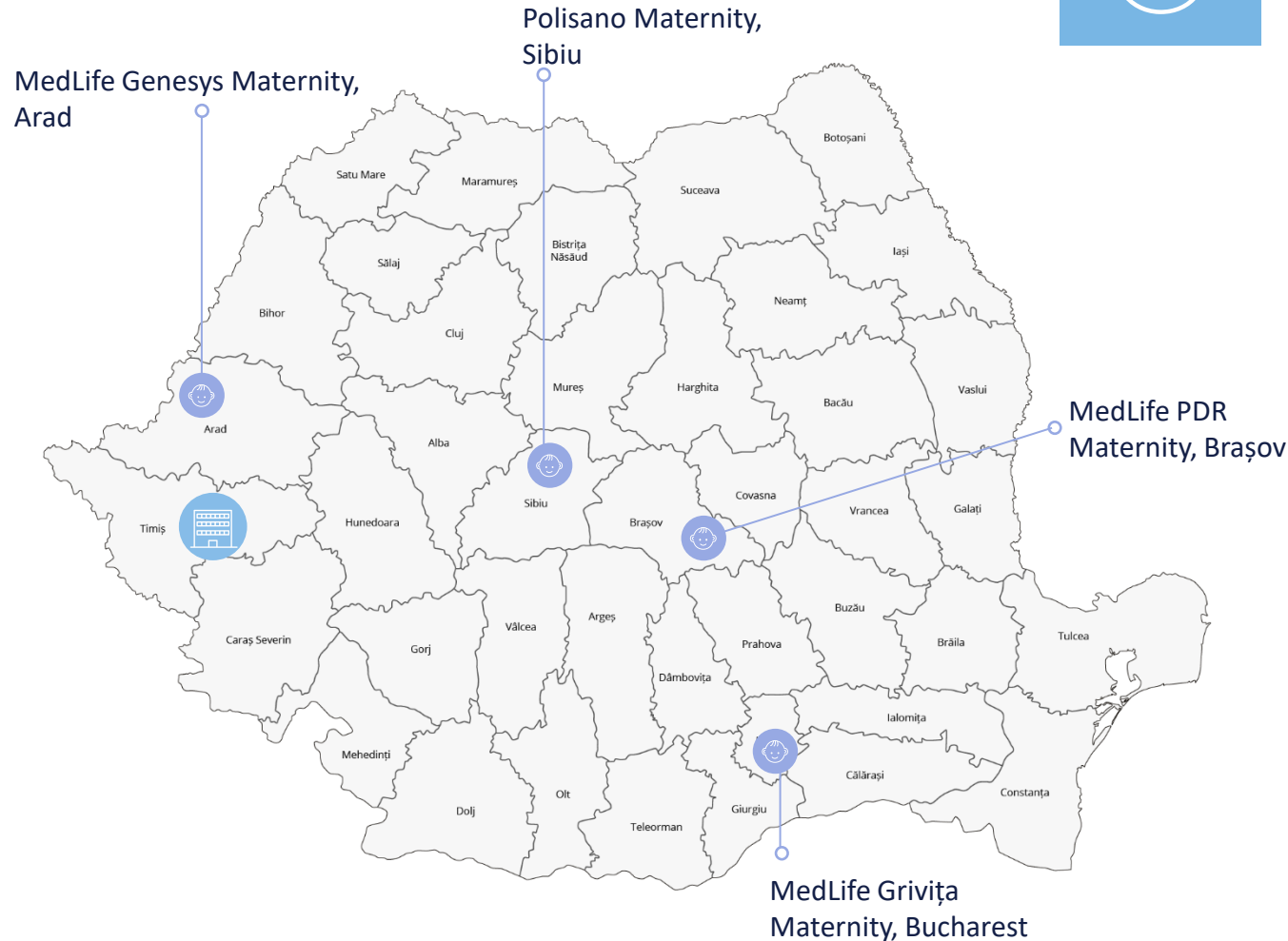
MedLife Laboratories

PharmaLife

13 hospitals

67k patients in H1 2023

# 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

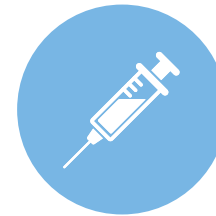
MedLife Laboratories

PharmaLife

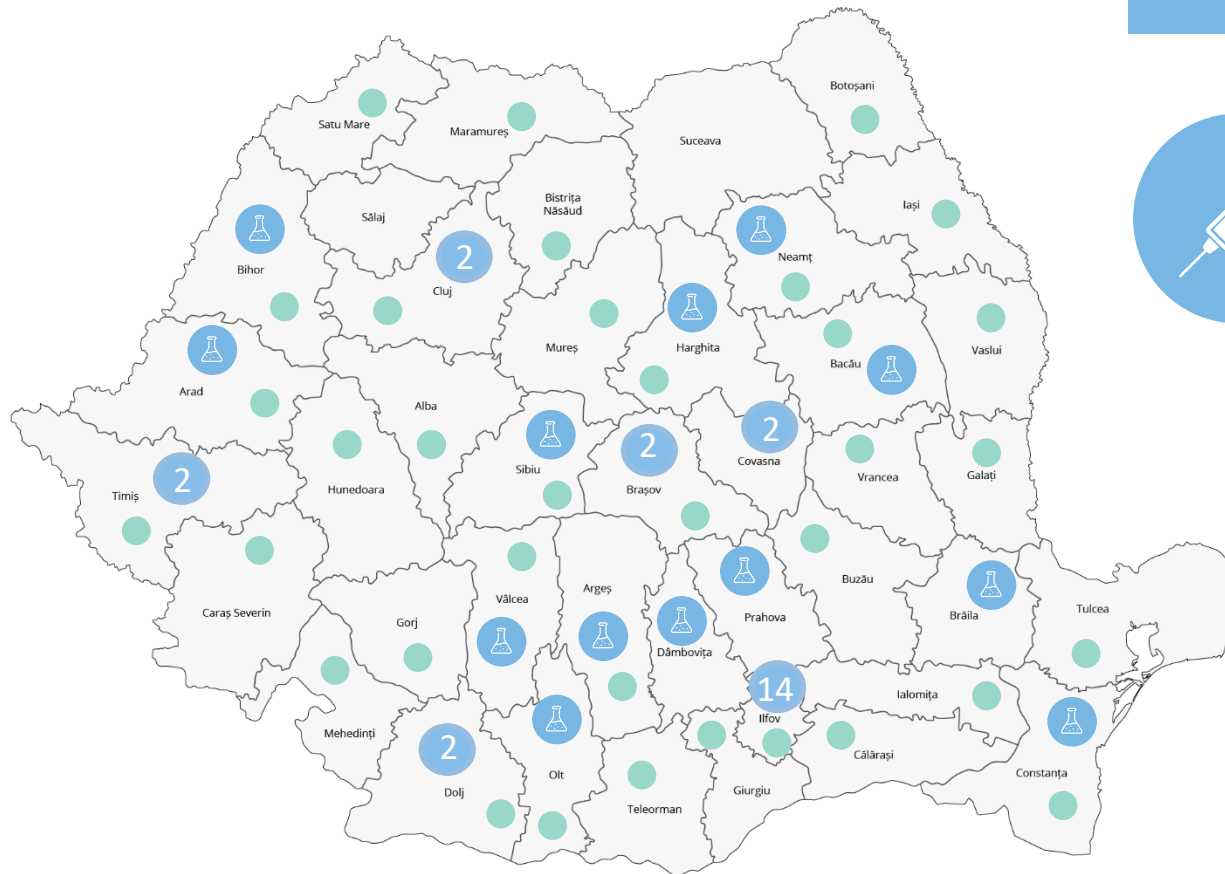
# MedLife Laboratories



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



**38**  
Laboratories

**>180**  
Sampling points

**> 3.5m**  
Analyses in H1  
2023

MedLife  
Hyperclinics

MedLife  
Clinics

Stomatology  
Centers

MedLife Excellence  
Centers

MedLife  
Hospitals

MedLife  
Maternities

MedLife Stem  
Cells Bank

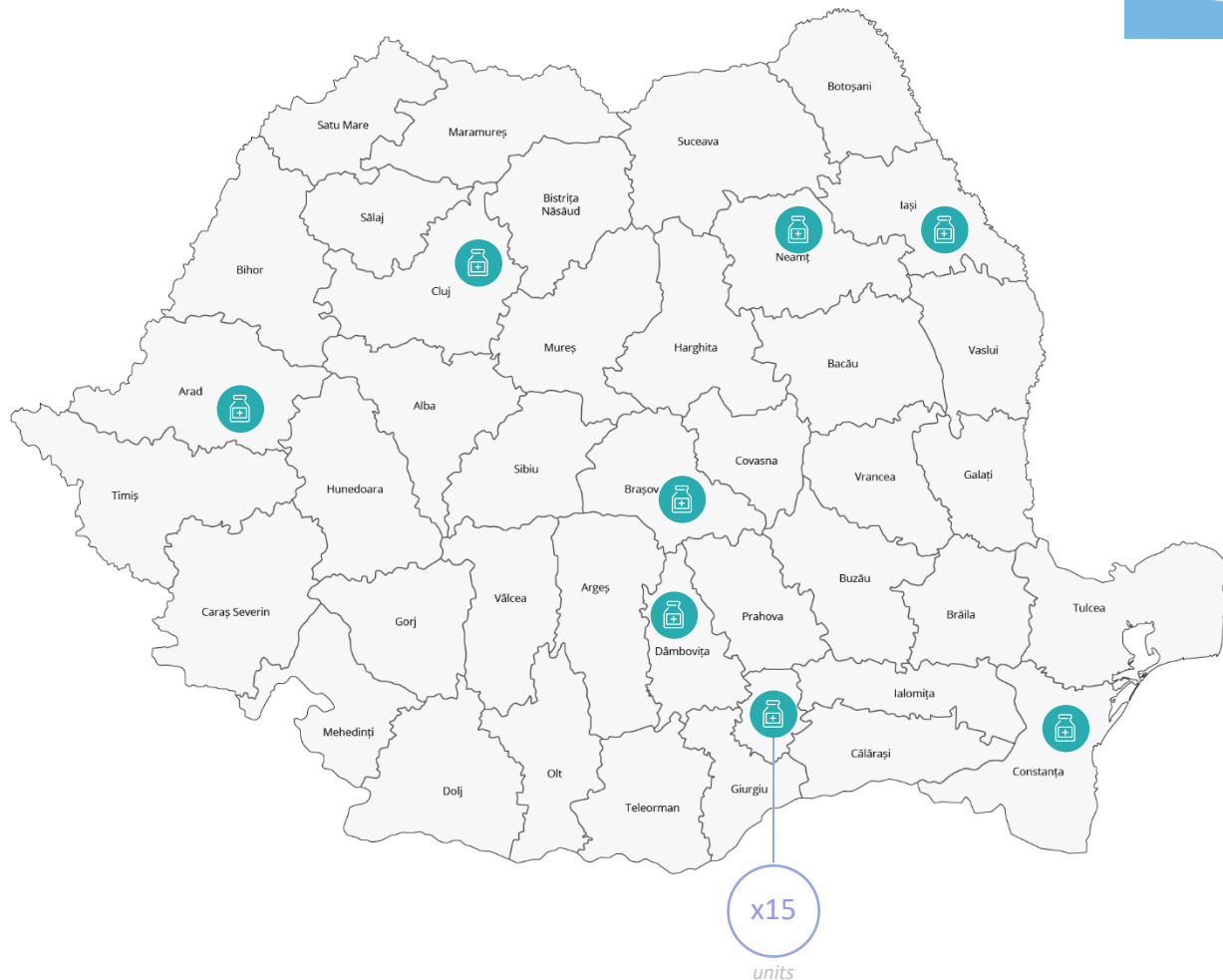
MedLife  
Laboratories

PharmaLife

# 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

**> 232k**  
Clients in H1  
2023

# Highlights H1 2023

- Key messages and Outlook



## Key messages and outlook

- first semester characterized by good performance across all business lines, with a 27% increase in revenues compared to H1 2022;
- Robust organic growth of 12% despite still difficult macroeconomic environment;
- top performers in terms of revenue growth being clinics (+41%), hospitals (+36%) and the corporate division (+13%), followed by dental clinics and laboratories with growth rates of 11% and 9% respectively;
- In the first semester we had several expansion projects, such as the opening of a Hyperclinic in Deva, 2 new oncology centers in Braila and Valcea, the completion of the M&A transactions with Muntenia Hospital and Nord (Provita Medical Group) and 2 small M&A transactions completed by Sfanta Maria Group;
- In terms of profitability, the Group records a slight decrease in EBITDA margin, from 15.8% in the first semester of the previous year to 15.2% in the same period of 2023. However, a less pronounced seasonal decrease is noted in the second quarter compared to the first quarter of the year, in comparison to 2022. At the same time, there is also an increase in profitability compared to the second semester of the previous year, thus underlining the stability and positive direction of the Group;
- In terms of net result, Q2 IFRS loss is due to increased depreciation and financial result;
- Increased depreciation expense on the back of constant increase in assets base – organic investments at the beginning of investment cycle, that will come with EBITDA and positive impact on the longer run (i.e. new oncology centers, medical imaging equipment and robots);
- Increased finance cost due to adjustments in EURIBOR with more than 1 p.p.; according to Euribor evolution and forecasts, we don't expect additional important adjustments for the end of this year, a slight decrease by the end of next year is anticipated;

# Key messages and outlook

## H2 outlook:

- Focus on consolidating the largest network of private medical services in Romania by continuing organic projects, with an emphasis on the expansion of hospital units in several areas of the country;
- Ongoing works on MedLife Park project and by opening new hospital units in Timisoara, Craiova and Bucharest (Nord Group new hospital unit);
- we are focusing on optimizing the operational flows and procedures within the group, in order to leverage economies of scale and the accumulated expertise of each unit;
- With regard to the short-term evolution of margins, no major changes are anticipated, but we are taking measures for positive adjustments in the upcoming period;
- our M&A focus is less dynamic and consistent with the market trends and context. However, it is a year of consolidation in terms of EBITDA margins and integration of the companies acquired so far;



# Financial overview

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

# Consolidated Statement of Profit and Loss

Description	6m 2022 IFRS	6m 2023 IFRS	%VAR	Pro-forma adj.	6m 2023 Pro-forma	%VAR
Gross Sales	860,395,896	1,066,209,218	23.9 %	29,756,574	1,095,965,792	27.4 %
Net Sales (less NHP)	860,395,896	1,066,209,218	23.9 %	(36,439,018)	1,029,770,201	19.7 %
Other operating income	4,258,600	8,759,241	105.7 %	976,843	9,736,084	128.6 %
<b>OPERATING INCOME</b>	<b>864,654,496</b>	<b>1,074,968,459</b>	<b>24.3 %</b>	<b>(35,462,175)</b>	<b>1,039,506,284</b>	<b>20.2 %</b>
<b>OPERATING EXPENSES</b>	<b>(795,476,602)</b>	<b>(1,025,035,174)</b>	<b>28.9 %</b>	<b>47,658,860</b>	<b>(977,376,314)</b>	<b>22.9 %</b>
<b>OPERATING PROFIT</b>	<b>69,177,894</b>	<b>49,933,285</b>	<b>(27.8)%</b>	<b>12,196,685</b>	<b>62,129,970</b>	<b>(10.2)%</b>
<b>EBITDA</b>	<b>135,693,964</b>	<b>141,950,727</b>	<b>4.6 %</b>	<b>14,068,594</b>	<b>156,019,321</b>	<b>15.0 %</b>
Net finance cost	(16,094,864)	(34,768,816)	116.0 %	(605,232)	(35,374,048)	119.8 %
Other financial expenses	(381,157)	(2,896,440)	659.9 %	199,121	(2,697,319)	607.7 %
<b>FINANCIAL RESULT</b>	<b>(16,476,021)</b>	<b>(37,665,255)</b>	<b>128.6 %</b>	<b>(406,111)</b>	<b>(38,071,366)</b>	<b>131.1 %</b>
<b>RESULT BEFORE TAXES</b>	<b>52,701,873</b>	<b>12,268,030</b>	<b>(76.7)%</b>	<b>11,790,574</b>	<b>24,058,604</b>	<b>(54.3)%</b>
Income tax expense	(7,054,906)	(7,264,354)	3.0 %	(1,791,348)	(9,055,702)	28.4 %
<b>NET RESULT</b>	<b>45,646,967</b>	<b>5,003,676</b>	<b>(89.0)%</b>	<b>9,999,226</b>	<b>15,002,902</b>	<b>(67.1)%</b>

## Margins

EBIT %	8.0%	4.7%			<b>6.0%</b>
EBITDA %	15.8%	13.3%			<b>15.2%</b>
Net Result %	5.3%	0.5%			<b>1.5%</b>

## Sales Bridge IFRS to Pro-forma

<b>6m 2023 IFRS</b>	<b>1,066,209,218</b>
(+) Normalisation adj (acquired companies)	29,756,574
(-) National Health Program for chemotherapy	(66,195,592)
<b>Pro-forma Net Sales (less NHP)</b>	<b>1,029,770,201</b>

## EBITDA Bridge IFRS to Pro-forma

<b>6m 2023 IFRS</b>	<b>141,950,727</b>
(+) Normalisation adj (acquired companies)	3,328,187
(-) One-off adjs (including those related to acquired)	10,740,407
<b>Pro-forma EBITDA</b>	<b>156,019,321</b>

## 6m 2023 Pro-forma vs. 6m 2022 IFRS

- ❑ **Gross Sales** (National Health Program for chemotherapy drugs included) increased by **27%**, reaching **RON 1.09 bn** for 6m 2023;
- ❑ **Net Sales** (net of drugs) increased by **20%**, reaching **RON 1.02bn**;
- ❑ **OPEX** increased by **23%**, to **RON 977m**;
- ❑ **10%** decrease in **EBIT**, to **RON 62m**, leading to **6%** pro-forma margin (8% in the same period last year) – explained in OPEX evolution slide;
- ❑ **15%** increase in **EBITDA**, to **RON 156m & 15.2%** pro-forma margin (15.8% in the same period last year);
- ❑ **Net Result** of **RON 15m & 1.5%** pro-forma margin (5.3% in the same period last year);
- ❑ **Pro-forma adj.** include financial results of the Acquired Companies (Sales of **RON 29.7m**) less subsidies received at Group level from NHIH in relation to the National Health Program for chemotherapy drugs that increased in scale following Neolife and Oncocard acquisitions (Sales of **RON 66m for H1 2023**), and exclusion of one-off expenses in amount of **RON 10.7m** (M&A costs, one off consultancy fees and non recurring costs with the opening of 3 large organic projects);

## Operational KPIs –business lines evolution

Business line	Info	6m 2022 IFRS	6m 2023 IFRS	%VAR	Share of total IFRS Sales
Clinics	<b>Revenue</b>	<b>288,641,376</b>	<b>397,318,224</b>	<b>37.7%</b>	<b>37.3%</b>
Clinics	Visits	1,389,476	1,847,937	33.0%	
Clinics	Avg fee	207.7	215.0	3.5 %	
Stomatology	<b>Revenue</b>	<b>56,062,067</b>	<b>62,229,799</b>	<b>11.0%</b>	<b>5.8%</b>
Stomatology	Visits	91,922	91,107	-0.9%	
Stomatology	Avg fee	609.9	683.0	12.0 %	
Hospitals	<b>Revenue</b>	<b>180,421,028</b>	<b>230,215,372</b>	<b>27.6%</b>	<b>21.6%</b>
Hospitals	Patients	57,212	67,496	18.0%	
Hospitals	Avg fee	3,153.5	3,410.8	8.2 %	
Laboratories	<b>Revenue</b>	<b>107,200,195</b>	<b>113,169,369</b>	<b>5.6 %</b>	<b>10.6%</b>
Laboratories	Analyses	3,486,651	3,565,294	2.3 %	
Laboratories	Avg fee	30.7	31.7	3.2 %	
Corporate	<b>Revenue</b>	<b>107,751,134</b>	<b>120,962,816</b>	<b>12.3%</b>	<b>11.3%</b>
Corporate	Subscriptions	772,219	850,335	10.1%	
Corporate	Avg fee	139.5	142.3	1.9 %	
Pharmacies	<b>Revenue</b>	<b>35,279,714</b>	<b>32,269,735</b>	<b>-8.5%</b>	<b>3.0%</b>
Pharmacies	Clients	279,202	232,277	-16.8%	
Pharmacies	Sales per	126.4	138.9	9.9 %	
Others	<b>Revenue</b>	<b>85,040,382</b>	<b>110,043,904</b>	<b>29.4%</b>	<b>10.3%</b>
<b>Total</b>		<b>860,395,896</b>	<b>1,066,209,218</b>	<b>23.9%</b>	<b>100.0%</b>

- ❑ Clinics remain the main sales unit of the group, with 37.3% share in total Sales: growth explained by sustained demand of outpatient medical services and new acquisitions performed during 2022 and 2023; + 9.3m RON normalization adj. of the acquired companies => 41% increase y o y;
- ❑ Stomatology with 6% share in total Sales; slight decrease in Q2 2023 in the number of visits;
- ❑ Hospitals with 21.6% share in total Sales; growth has been sustained by increase in the number of patients by 18% compared to the same period of 2022, following increase in medical teams and complexity of the medical act & the consolidation of Oncocard, Muntenia and Nord hospitals; +16m RON normalization adj. of the acquired companies => 36% increase y o y;
- ❑ Laboratories with 11% share in total Sales; 5.6% growth YoY; + 3.8m RON normalization adj. of the acquired companies => 9% increase y o y;
- ❑ Corporate with 11% share in total Sales; Growth of 12% in revenues sustained by increased number of subscriptions benefiting from the largest network of clinics at national level & pricing adjustments;

## OPEX evolution

Description				% of OPERATING EXPENSES			% of SALES		
	6m 2022	6m 2023	%VAR	6m 2022	6m 2023	Change	6m 2022	6m 2023	Change
	IFRS	IFRS		IFRS	IFRS		IFRS		
Consumable materials and repair materials	139,400,269	186,568,449	33.8%	17.5%	18.2%	0.7 p.p	16.2%	17.5%	1.3 p.p
Commodities	99,292,519	103,737,029	4.5%	12.5%	10.1%	-2.4 p.p	11.5%	9.7%	-1.8 p.p
Utilities	12,841,287	16,899,564	31.6%	1.6%	1.6%	0 p.p	1.5%	1.6%	0.1 p.p
Repairs maintenance	9,222,063	9,167,695	-0.6%	1.2%	0.9%	-0.3 p.p	1.1%	0.9%	-0.2 p.p
Rent	5,604,813	6,690,283	19.4%	0.7%	0.7%	-0.1 p.p	0.7%	0.6%	0 p.p
Insurance premiums	2,039,349	2,773,529	36.0%	0.3%	0.3%	0 p.p	0.2%	0.3%	0 p.p
Promotion expense	11,398,180	18,522,204	62.5%	1.4%	1.8%	0.4 p.p	1.3%	1.7%	0.4 p.p
Communications	2,520,952	3,076,582	22.0%	0.3%	0.3%	0 p.p	0.3%	0.3%	0 p.p
Third party expenses & Salaries expenses, out of which:	436,586,432	568,873,838	30.3%	54.9%	55.5%	0.6 p.p	50.7%	53.4%	2.6 p.p
<i>Third party expenses (including doctor's agreements)</i>	<i>224,064,799</i>	<i>297,587,473</i>	<i>32.8%</i>	<i>28.2%</i>	<i>29.0%</i>	<i>0.9 p.p</i>	<i>26.0%</i>	<i>27.9%</i>	<i>1.9 p.p</i>
<i>Salary and related expenses (including social contrib.)</i>	<i>212,521,633</i>	<i>271,286,365</i>	<i>27.7%</i>	<i>26.7%</i>	<i>26.5%</i>	<i>-0.3 p.p</i>	<i>24.7%</i>	<i>25.4%</i>	<i>0.7 p.p</i>
Depreciation	66,516,069	92,017,442	38.3%	8.4%	9.0%	0.6 p.p	7.7%	8.6%	0.9 p.p
Impairment / Release under IFRS 9 provision on TR	-	1,002,093		0.0%	0.1%	0.1 p.p	0.0%	0.1%	0.1 p.p
Other administration and operating expenses	10,054,668	15,706,465	56.2%	1.3%	1.5%	0.3 p.p	1.2%	1.5%	0.3 p.p
<b>OPERATING EXPENSES</b>	<b>795,476,602</b>	<b>1,025,035,174</b>	<b>28.9%</b>	<b>100%</b>	<b>100%</b>	<b>0 p.p</b>	<b>92.5%</b>	<b>96.1%</b>	<b>3.7 p.p</b>

### Drivers for increased costs:

- ❑ Increase in Consumable materials and repair materials with **1.3 p.p.** of Sales following NeoLife & Oncocard consolidation of chemotherapy drugs consumables;
- ❑ Decrease in Commodities with **1.8 p.p.** of Sales following decrease of Pharmachem & Pharmacies share in total Group (consolidation of companies acquired during 2023 and further organic development of outpatient units and hospitals, combined with adjustment of Pharmacies mix of products and economies of scale on the back of pharmaceutical distribution company within the Group);
- ❑ Increased marketing expenses, in line with the strategy of past quarters to consolidate the brand value and leading position in the private medical market;
- ❑ Increase in third party expenses (including doctor's agreements) and salaries expenses with **2.6 p.p.** of Sales following consolidation of the newly acquired companies (part of them below the profitability level of the Group) and high inflation with upward pressure on wages;
- ❑ Increase in Depreciation with **1 p.p.** of Sales following consolidation of new companies, increase in assets base following organic dev projects that will pay off medium and long term;
- ❑ Increase in Other admin and operating expenses with **0.3 p.p.** of Sales due to one off and non recurring expenses following the opening of new units

# Consolidated Statement of Financial Position

Description	December 31,	June 30,	%VAR
	2022	2023	
	IFRS	IFRS	
Non-current assets	1,686,590,024	1,858,697,988	10.2%
Current assets, excluding Cash and cash equivalents	376,318,151	383,904,796	2.0%
Cash and cash equivalents	89,068,154	109,593,828	23.0%
<b>TOTAL ASSETS</b>	<b>2,151,976,329</b>	<b>2,352,196,612</b>	<b>9.3%</b>
Current liabilities (excluding interest bearing liabilities)	414,943,880	424,997,190	2.4%
Financial Debt	1,189,086,767	1,357,228,071	14.1%
Other long term debt	21,657,277	28,486,033	31.5 %
Deferred tax liability	44,250,160	43,412,806	-1.9%
<b>TOTAL LIABILITIES</b>	<b>1,669,938,084</b>	<b>1,854,124,100</b>	<b>11.0%</b>
Equity attributable to owners of the Group	416,780,834	422,488,584	1.4%
Non-controlling interests	65,257,411	75,583,928	15.8%
<b>EQUITY</b>	<b>482,038,245</b>	<b>498,072,512</b>	<b>3.3%</b>



# Consolidated Statement of Financial Position (Cont.)

## Debt position

### Leasing liabilities

	December 31, 2022 IFRS	June 30, 2023 IFRS	%VAR
current portion - leasing	77,141,698	79,872,699	3.5%
long term portion - leasing	225,175,340	211,224,870	-6.2%
<b>Total</b>	<b>302,317,038</b>	<b>291,097,569</b>	<b>-3.7%</b>

### Financial debt

	December 31, 2022 IFRS	June 30, 2023 IFRS	%VAR
Overdraft	27,801,016	17,012,060	(38.8)%
Current portion of long-term debt	55,695,054	69,803,853	25.3%
Long-term debt	803,273,659	979,314,589	21.9%
<b>Total</b>	<b>886,769,729</b>	<b>1,066,130,502</b>	<b>20.2%</b>
<b>Net Debt</b>	<b>1,100,018,613</b>	<b>1,247,634,243</b>	<b>13.4%</b>
Net debt to EBITDA (annualised) ratio	<b>3.9</b>	<b>4.0</b>	





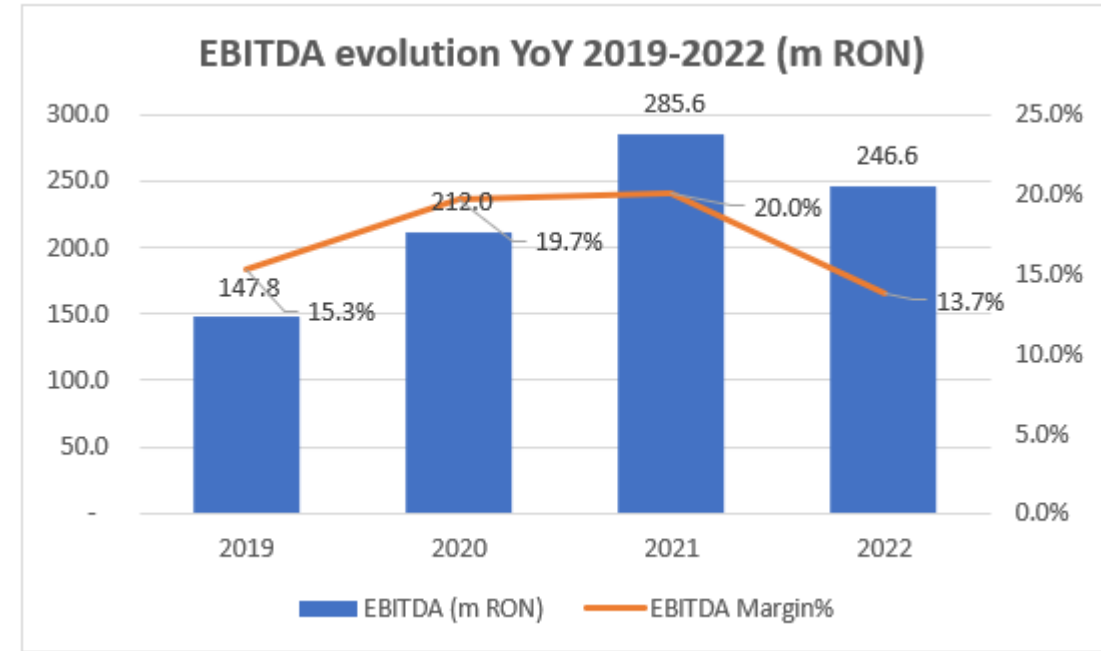
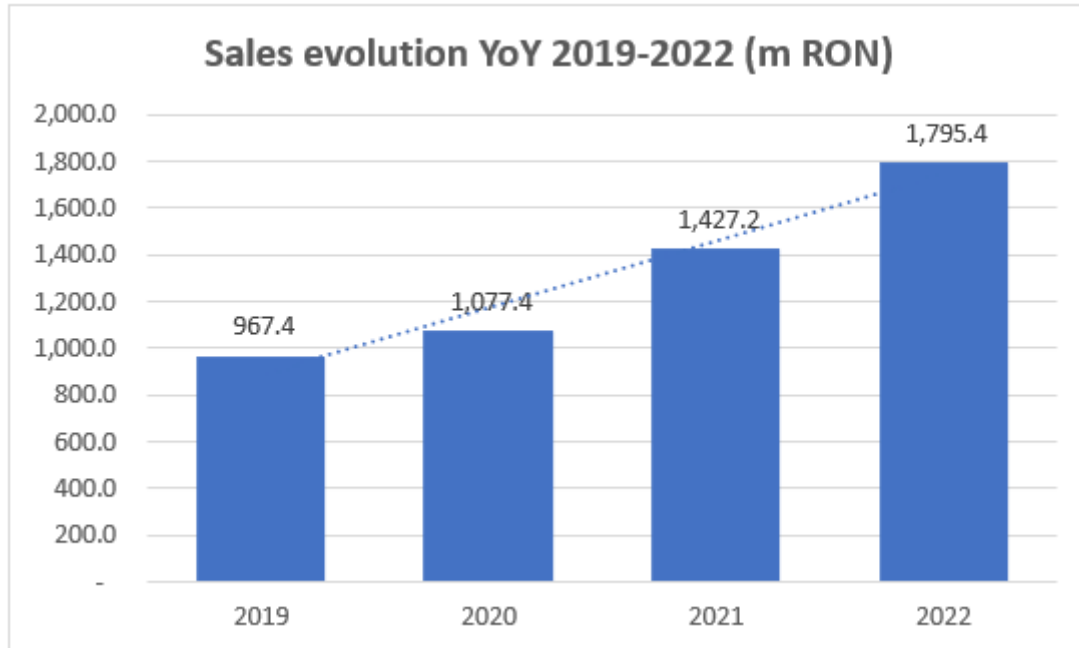
# Consolidated Statement of Cash Flow

Description	June 30, 2022 IFRS	June 30, 2023 IFRS
<b>Net income before taxes</b>	<b>52,701,873</b>	<b>12,268,030</b>
Adjustments for non-monetary items	80,420,554	127,197,561
<b>Operating cash flow before working capital and other monetary changes</b>	<b>133,122,427</b>	<b>139,465,591</b>
Cash used in working capital changes	(28,356,687)	(28,179,478)
Other monetary changes (income tax and net interest paid)	(19,096,425)	(31,135,268)
<b>Net cash from operating activities</b>	<b>85,669,314</b>	<b>80,150,845</b>
<b>Net cash used in investing activities</b>	<b>(237,108,522)</b>	<b>(138,242,944)</b>
<b>Net cash from financing activities</b>	<b>122,986,385</b>	<b>78,617,773</b>
<b>Net change in cash and cash equivalents</b>	<b>(28,452,822)</b>	<b>20,525,674</b>
Cash and cash equivalents beginning of the period	135,858,888	89,068,154
<b>Cash and cash equivalents end of the period</b>	<b>107,406,066</b>	<b>109,593,828</b>

- ❑ robust cash flow from operations before working capital changes at RON 139m;
- ❑ decrease in investments in 2023 compared to 2022, with RON 60m invested in business combinations and RON 73m in organic development projects;
- ❑ Net cash from financing activities of RON 78.6m RON.



# Annexes



	<b>June 30, 2023</b>	<b>January 1, 2023</b>
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Goodwill	450,957,499	368,672,606
Intangible assets	101,747,687	100,192,265
Property, plant and equipment	967,139,494	828,501,060
Right-of-use asset	292,636,286	306,413,389
Other financial assets	46,217,022	82,810,704
<b>Total Non-Current Assets</b>	<b><u>1,858,697,988</u></b>	<b><u>1,686,590,024</u></b>
<b>Current Assets</b>		
Inventories	102,910,245	98,770,370
Trade Receivables	212,442,724	221,358,860
Other assets	53,955,887	44,362,334
Cash and cash equivalents	109,593,828	89,068,154
Prepayments	14,595,940	11,826,587
<b>Total Current Assets</b>	<b><u>493,498,624</u></b>	<b><u>465,386,305</u></b>
<b>TOTAL ASSETS</b>	<b><u>2,352,196,612</u></b>	<b><u>2,151,976,329</u></b>
<b>LIABILITIES &amp; SHAREHOLDER'S EQUITY</b>		
<b>Non-Current Liabilities</b>		
Lease liability	211,224,870	225,175,340
Other long term debt	28,486,033	21,657,277
Interest-bearing loans and borrowings	979,314,589	803,273,659
Deferred tax liability	43,412,806	44,250,160
<b>Total Non-Current Liabilities</b>	<b><u>1,262,438,298</u></b>	<b><u>1,094,356,436</u></b>
<b>Current Liabilities</b>		
Trade and other payables	336,500,627	335,356,742
Overdraft	17,012,060	27,801,016
Current portion of lease liability	79,872,699	77,141,698
Current portion of interest-bearing loans and borrowings	69,803,853	55,695,054
Current tax liabilities	3,488,690	814,508
Provisions	9,963,711	9,783,326
Other liabilities	75,044,162	68,989,304
<b>Total Current Liabilities</b>	<b><u>591,685,802</u></b>	<b><u>575,581,648</u></b>
<b>TOTAL LIABILITIES</b>	<b><u>1,854,124,100</u></b>	<b><u>1,669,938,084</u></b>
<b>SHAREHOLDER'S EQUITY</b>		
Share capital and Share premium	83,504,400	83,812,556
Treasury shares	(595,125)	(3,219,219)
Reserves	207,866,775	204,591,242
Retained earnings	131,712,534	131,596,255
<b>Equity attributable to owners of the Group</b>	<b><u>422,488,584</u></b>	<b><u>416,780,834</u></b>
Non-controlling interests	75,583,928	65,257,411
<b>TOTAL EQUITY</b>	<b><u>498,072,512</u></b>	<b><u>482,038,245</u></b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b><u>2,352,196,612</u></b>	<b><u>2,151,976,328</u></b>

	<b>Period ended June 30,</b>	
	<b>2023</b>	<b>2022</b>
REVENUE FROM CONTRACTS WITH CUSTOMERS	1,066,209,218	860,395,896
Other operating revenues	8,759,241	4,258,600
<b>Operating Income</b>	<b>1,074,968,459</b>	<b>864,654,496</b>
Consumable materials and repair materials	(186,568,449)	(139,400,269)
Third party expenses	(297,587,473)	(224,064,799)
Salary and related expenses	(261,999,637)	(205,158,993)
Social contributions	(9,286,728)	(7,362,640)
Depreciation and amortization	(92,017,442)	(66,516,069)
Impairment losses and gains (including reversals of impairment losses)	(1,002,093)	-
Commodities expenses	(103,737,029)	(99,292,519)
Other operating expenses	(72,836,323)	(53,681,312)
<b>Operating expenses</b>	<b>(1,025,035,174)</b>	<b>(795,476,602)</b>
<b>Operating Profit</b>	<b>49,933,285</b>	<b>69,177,894</b>
Finance cost	(34,768,816)	(16,094,864)
Other financial expenses	(2,896,440)	(381,157)
<b>Financial result</b>	<b>(37,665,255)</b>	<b>(16,476,021)</b>
<b>Result Before Taxes</b>	<b>12,268,030</b>	<b>52,701,873</b>
Income tax expense	(7,264,354)	(7,054,906)
<b>Net Result</b>	<b>5,003,676</b>	<b>45,646,967</b>
Owners of the Group	6,047,063	41,618,275
Non-controlling interests	(1,043,387)	4,028,692

	<b>Period ended June 30, 2023</b>	<b>Period ended June 30, 2022</b>
<b>Net profit before taxes</b>	<b>12,268,030</b>	<b>52,701,873</b>
<b>Adjustments for</b>		
Depreciation and amortization	92,017,442	66,516,069
Provisions for liabilities and charges	(282,297)	-
Interest revenue	(2,197,945)	(390,326)
Interest expense	34,768,816	16,094,864
Allowance for doubtful debts and receivables written-off	1,002,093	-
Other non-monetary gains	(3,306,325)	(2,595,553)
Unrealized exchange loss	5,195,778	795,499
<b>Operating cash flow before working capital changes</b>	<b>139,465,591</b>	<b>133,122,427</b>
Decrease / (increase) in accounts receivable	(3,808,814)	(8,291,563)
Decrease / (increase) in inventories	782,625	(623,827)
Decrease / (increase) in prepayments	(2,183,573)	(2,754,309)
Increase / (decrease) in accounts payable	(22,969,716)	(16,686,988)
<b>Cash generated from working capital changes</b>	<b>(28,179,478)</b>	<b>(28,356,687)</b>
<b>Cash generated from operations</b>	<b>111,286,113</b>	<b>104,765,740</b>
Income Tax Paid	(5,533,856)	(6,939,690)
Interest Paid	(27,799,357)	(12,547,061)
Interest received	2,197,945	390,326
<b>Net cash from operating activities</b>	<b>80,150,845</b>	<b>85,669,314</b>
Acquisition of subsidiaries, net of cash acquired	(59,907,206)	(178,984,135)
Purchase of intangible assets	(5,129,621)	(4,497,399)
Purchase of property, plant and equipment	(73,206,117)	(53,626,988)
<b>Net cash used in investing activities</b>	<b>(138,242,944)</b>	<b>(237,108,522)</b>
Proceeds from loans	169,044,186	184,310,135
Payment of loans	(52,164,426)	(19,179,945)
Payment of principal portion of lease liabilities	(37,860,036)	(28,101,478)
Dividends paid to NCI	-	(30,000)
Payments for purchase of treasury shares	(401,951)	(6,234,651)
Additional participation interest acquired	-	(7,777,676)
<b>Net cash from financing activities</b>	<b>78,617,773</b>	<b>122,986,385</b>
Net change in cash and cash equivalents	20,525,674	(28,452,822)
Cash and cash equivalents beginning of the period	89,068,154	135,858,888
<b>Cash and cash equivalents end of the period</b>	<b>109,593,828</b>	<b>107,406,066</b>