SISTEMUL MEDICAL

MedLife

MED LIFE S.A.

SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31st, 2025

PREPARED IN ACCORDANCE WITH THE ORDER OF THE MINISTER OF PUBLIC FINANCE NUMBER 2844/2016 FOR THE APPROVAL OF ACCOUNTING REGULATIONS IN COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING AND STANDARDS

The English version of the separate financial statements represents a translation of the original separate financial statements issued in Romanian language

Name of the issuing company: Med Life S.A.
Registered Office: Bucharest, 365 Calea Griviței, District 1, Romania
Fax no.: 0040 374 180 470
Unique Registration Code at the National Office of Trade Registry: 8422035
Order number on the Trade Registry: J1996003709402
EUID: ROONRC.J1996003709402
Subscribed and paid-in share capital: RON 132,870,492
Regulated market on which the issued securities are traded: Bucharest Stock Exchange, Premium Category

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(all amounts are expressed in RON, unless otherwise specified)

ASSETS	**Note**	**December 31, 2025**	**December 31, 2024**
Non-current Assets			
Goodwill	4.1	2,317,559	-
Intangible assets	5	26,807,829	22,636,493
Property, plant and equipment	5	393,269,961	374,993,545
Right-of-use asset	13	45,483,799	48,844,012
Investment in subsidiaries	4.2	558,782,708	507,838,848
Other financial assets	4.3	17,540,394	16,932,943
Total Non-Current Assets		**1,044,202,250**	**971,245,841**
Current Assets			
Inventories	6	17,543,742	15,320,875
Trade Receivables	7.1	110,652,961	97,162,994
Loans granted to related parties	23	202,055,486	190,295,292
Other assets	7.2	30,878,055	25,135,616
Cash and cash equivalents	8	18,652,611	15,335,770
Prepayments	9	2,878,220	3,422,223
Total Current Assets		**382,661,074**	**346,672,770**
TOTAL ASSETS		**1,426,863,324**	**1,317,918,611**
LIABILITIES & SHAREHOLDER'S EQUITY			
Non-Current Liabilities			
Lease liability	13, 14	28,898,363	27,066,810
Interest-bearing loans and borrowings	14	665,239,788	582,827,132
Deferred tax liability	24	17,158,204	16,292,837
Total Non-Current Liabilities		**711,296,355**	**626,186,779**
Current Liabilities			
Trade and other payables	10	231,624,137	207,442,240
Overdraft	14	10,197,000	9,948,200
Current portion of lease liability	13	19,561,979	24,096,539
Current portion of interest-bearing loans and borrowings	14	32,718,945	58,861,845
Loans received from related parties	23	27,511,948	18,351,571
Current tax liabilities	24	2,170,523	2,256,090
Provisions	12	3,050,881	4,769,204
Other liabilities	11	29,346,850	20,348,388
Total Current Liabilities		**356,182,263**	**346,074,077**
TOTAL LIABILITIES		**1,067,478,618**	**972,260,856**
SHAREHOLDER'S EQUITY			
Share capital and Share premium	15	132,562,337	132,562,337
Treasury shares	15	(3,227,055)	(1,760,729)
Reserves	16	149,254,871	142,816,514
Retained earnings		80,794,553	72,039,633
TOTAL EQUITY		**359,384,706**	**345,657,755**
TOTAL LIABILITIES AND EQUITY		**1,426,863,324**	**1,317,918,611**

Mihail Marcu,
CEO

Alina-Oana Irinoiu-Titu,
CFO

(all amounts are expressed in RON, unless otherwise specified)

	Note	12 months ended December 31, 2025	2024
Revenue from contracts with customers	17	779,671,690	716,937,391
Other operating income	18.1	2,338,368	839,144
Dividend income	18.2	24,943,785	26,421,834
Operating Income		**806,953,843**	**744,198,369**
Consumable materials and repair materials		(98,997,413)	(95,328,405)
Third party expenses	19	(287,112,526)	(259,284,776)
Salaries and related expenses	21	(222,798,996)	(203,211,206)
Social contributions	21	(8,520,524)	(7,860,000)
Depreciation and amortization	5, 13	(74,273,059)	(67,686,546)
Impairment losses and gains (including reversals of impairment losses)	7	(2,690,986)	(3,132,852)
Impairment of fixed assets	5	-	(377,870)
Other operating expenses	20	(53,009,815)	(44,722,691)
Operating expenses		**(747,403,319)**	**(681,604,346)**
Operating Profit		**59,550,524**	**62,594,023**
Finance income	22	12,899,548	13,005,328
Finance cost	22	(38,114,774)	(45,812,946)
Other financial expenses	22	(17,471,236)	(405,508)
Financial result		**(42,686,462)**	**(33,213,126)**
Profit Before Tax		**16,864,061**	**29,380,897**
Income tax credit/(expense)	24	(8,109,141)	(6,884,566)
Profit After Tax		**8,754,920**	**22,496,331**
Other comprehensive income items that will not be reclassified to profit or loss			
Revaluation of land and buildings	16	5,764,642	-
Deferred tax on other comprehensive income components	24	(922,342)	-
TOTAL OTHER COMPREHENSIVE INCOME		**4,842,300**	**-**
TOTAL COMPREHENSIVE INCOME		**13,597,221**	**22,496,331**

Mihail Marcu,
CEO

Alina-Oana Irinoiu-Titu,
CFO

(all amounts are expressed in RON, unless otherwise specified)

	Note	12 months ended December 31, 2025	2024
Profit before tax		**16,864,061**	**21,883,297**
Adjustments for			
Depreciation and amortization	5, 13	74,273,059	67,686,546
Interest expense	22	38,114,774	45,812,946
Dividends	18.2	(24,943,785)	(26,421,834)
Net Gain on disposal of business and investments	18.1	(172,718)	112,406
Impairment losses (including reversals of impairment losses)	7	2,690,986	3,132,852
Share-based payment expense	21	1,596,057	-
Movements in provisions	12	(1,718,323)	1,978,780
Other non-monetary gains	18	-	(4,946,786)
Unrealized exchange (gain) / loss	22	17,495,797	411,846
Interest income	22	(12,899,548)	(13,005,328)
Operating cash flow before working capital changes		**111,300,361**	**96,644,724**
Decrease / (increase) in accounts receivable		(1,267,651)	19,133,553
Decrease / (increase) in inventories		(2,192,123)	(938,856)
Decrease / (increase) in prepayments		544,003	(2,194,209)
Increase / (decrease) in accounts payable		10,737,085	15,853,442
Cash generated from working capital changes		**7,821,314**	**31,853,930**
Cash generated from operations		**119,121,674**	**128,498,655**
Income tax paid	24	(8,251,684)	(5,339,059)
Dividends received from subsidiaries	18.2	4,459,492	1,399,080
Interest paid	14	(33,161,224)	(39,523,222)
Net cash from operating activities		**82,168,259**	**85,035,454**
Purchase of investments	4	(18,748,439)	(3,312,600)
Purchase of intangible assets	5	(1,981,943)	(5,766,378)
Purchase of property, plant and equipment	5	(50,324,135)	(41,162,881)
Proceeds from the transfer of business under common control (sale of Stomatology Division)	7.2	-	1,000,000
Loans granted to intercompany	23	(30,390,074)	(12,008,484)
Net cash used in investing activities		**(101,444,591)**	**(61,250,343)**
Cash flow from financing activities			
Payment of loans	14	(27,688,946)	(46,645,983)
Lease payments (IFRS 16)	14	(30,100,411)	(29,573,610)
Consideration paid for transfer of business	14	(2,550,000)	-
Proceeds from loans	14	68,332,320	50,567,427
Payments for purchase of treasury shares	15	(1,466,326)	(1,078,835)
Increase/ (Decrease) from loans obtained from Group Companies	23	16,066,536	8,080,144
Net cash from/(used in) financing activities		**22,593,173**	**(18,650,857)**
Net change in cash and cash equivalents		**3,316,841**	**5,134,254**
Cash and cash equivalents beginning of the period	8	15,335,770	10,201,516
Cash and cash equivalents end of the period		**18,652,611**	**15,335,770**

Mihail Marcu,
CEO

Alina-Oana Irinoiu-Titu,
CFO

(all amounts are expressed in RON, unless otherwise specified)

	Share Capital	Treasury shares	Share premium	Legal reserves and other reserves	Revaluation Reserve	Accumulated Results	Total Equity
Balance at December 31, 2024	**132,870,492**	**(1,760,729)**	**(308,155)**	**36,352,005**	**106,464,509**	**72,039,633**	**345,657,755**
Profit of the year	-	-	-	-	-	8,754,920	**8,754,920**
Gain/loss from revaluation of Land and Buildings (Note 5)	-	-	-	-	5,764,642	-	**5,764,642**
Deferred tax related to other comprehensive income (Note 26)	-	-	-	-	(922,342)	-	**(922,342)**
Stock option plan (Note 21)	-	-	-	1,596,057	-	-	**1,596,057**
Total comprehensive income	**-**	**-**	**-**	**1,596,057**	**4,842,300**	**8,754,920**	**15,193,277**
Increase from own shares acquisition (Note 15)	-	(1,466,326)	-	-	-	-	**(1,466,326)**
Balance as at December 31, 2025	**132,870,492**	**(3,227,055)**	**(308,155)**	**37,948,062**	**111,306,809**	**80,794,553**	**359,384,706**

Mihail Marcu,
CEO

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CFO

(all amounts are expressed in RON, unless otherwise specified)

	Share Capital	Treasury shares	Share premium	Legal reserves and other reserves	Revaluation Reserve	Accumulated Results	Total Equity
Balance at December 31, 2023	**132,870,492**	**(681,894)**	**(308,155)**	**35,227,339**	**106,464,509**	**50,667,969**	**324,240,260**
Profit of the year	-	-	-	-	-	22,496,330	**22,496,330**
Total comprehensive income	-	-	-	-	-	**22,496,330**	**22,496,330**
Recognition of other reserves for fiscal purposes (legal reserves) (Note 16)	-	-	-	1,124,666	-	(1,124,666)	-
Increase from own shares acquisition (Note 15)	-	(1,078,835)	-	-	-	-	**(1,078,835)**
Balance as at December 31, 2024	**132,870,492**	**(1,760,729)**	**(308,155)**	**36,352,005**	**106,464,509**	**72,039,633**	**345,657,755**

Mihail Marcu,
CEO

Alina-Oana Irinoiu-Titu,
CFO

1. DESCRIPTION OF THE BUSINESS

Med Life S.A. (or the "Company") is a joint-stock company incorporated in 1996, in accordance with the Romanian laws and regulations, with registered office in 365 Calea Grivitei, Bucharest, having a share capital of RON 132,870,492, and a nominal share value of RON 0.25. The Company's activity resides in the performance of healthcare services activities through medical centres located in Bucharest, Cluj, Braila, Timisoara, Iasi, Galati, Ploiesti, Constanta, Targu Mures and others.

Med Life S.A. is the parent company of the MedLife Group ("MedLife Group" or the "Group"). MedLife Group is the leading health care services providers in Romania in terms of sales, having a significant market share at national level.

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

2.1 Changes in accounting policy and disclosures

The accounting policies adopted are consistent with those of the previous financial year except for the following IFRS and amendments to IFRS which have been adopted by the Company as of 1 January 2025:

- **IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (Amendments)**

The newly adopted IFRS and amendments to IFRS did not have a material impact on the Company's accounting policies.

- **IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (Amendments)**

Effective 1 January 2025, the Company has applied the amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability. The amendments clarify how an entity assesses whether a currency is exchangeable and how to determine the spot exchange rate when exchangeability is lacking. A currency is considered exchangeable when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism that creates enforceable rights and obligations. Where a currency is not exchangeable, an entity is required to estimate the spot exchange rate at the measurement date so that it reflects the rate at which an orderly exchange transaction would take place between market participants under the prevailing economic conditions at that date.

The application of these amendments did not have a significant impact on the Company's financial statements, as the Company conducts the majority of its transactions in its functional currency, RON, and also reports in that currency, and is not exposed to jurisdictions in which the currency is considered non-exchangeable.

2.2 Standards issued, endorsed by the European Union, but not yet effective and not early adopted

- **Amendments to IFRS 9 and IFRS 7 - Amendments to the Classification and Measurement of Financial Instruments**

The amendment is effective as of 1 January 2026 and is issued by issued by IASB on 30 May 2024. Amendments clarify the classification of financial assets with environmental, social and corporate governance (ESG) and similar features. Amendments also clarify the date on which a financial asset or financial liability is derecognised and introduce additional disclosure requirements regarding investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features.
The amendments are not effective for the reporting of the Company's 2025 financial statements, however the Company anticipates that the adoption of these new standards and amendments to the existing standards will have no material impact on the financial statements of the Company in the period of initial application

- **Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity**

The amendment is effective as of 1 January 2026 and is issued by IASB on 18 December 2024. The own-use requirements in IFRS 9 are amended to include the factors an entity is required to consider when applying IFRS 9:2.4 to contracts to buy and take delivery of renewable electricity for which the source of production of the electricity is nature-dependent. The hedge accounting requirements in IFRS 9 are amended to permit an entity using a contract for nature-dependent renewable electricity with specified characteristics as a hedging instrument to designate a variable volume of forecast electricity transactions as the hedged item if specified criteria are met and to measure the hedged item using the same volume assumptions as those used for the hedging instrument. Amendments to IFRS 7 and IFRS 19 to introduce disclosure requirements about contracts for nature-dependent electricity with specified characteristics.
The amendments are not effective for the reporting of the Company's 2025 financial statements, however the Company anticipates that the adoption of these new standards and amendments to the existing standards will have no material impact on the financial statements of the Company in the period of initial application

- **Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 – Annual Improvements to IFRS Accounting Standards – Volume 11**

On 18 July 2024, the IASB issued the Annual Improvements to IFRS Accounting Standards – Volume 11, which include amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7. These amendments contain clarifications and minor modifications regarding, among other things, hedge accounting for first-time adopters of IFRS, disclosures related to financial instruments and credit risk, derecognition of lease liabilities, the assessment of control in the context of a de facto agent, and certain aspects relating to the statement of cash flows.
The amendments are effective for annual reporting periods beginning on or after 1 January 2026 and have been endorsed for use in the European Union. The Company has not early adopted these amendments in its financial statements as at 31 December 2025.

The amendments are not effective for the reporting of the Company's 2025 financial statements; however, the Company anticipates that the adoption of these new standards and amendments to existing standards will not have any significant impact on the Company's financial statements in the period of initial application.

- **The amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates**

The standard requires translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate.
An entity whose functional currency and presentation currency are the currency of a hyperinflationary economy restates the comparative amounts of a foreign operation, whose functional currency is that of a non-hyperinflationary economy, by applying the general price index in accordance with paragraph 34 of IAS 29 Financial Reporting in Hyperinflationary Economies to the foreign operation's comparative figures. The amendments are intended to improve the usefulness of the resulting information in a cost-effective manner. The amendments apply for annual reporting periods beginning on or after 1 January 2027, earlier application is permitted. The standard has not yet been endorsed by the European Union, however the Company anticipates that the adoption of these new standard and amendment to the existing standard will have no material impact on the financial statements of the Company in the period of initial application.

2.3 Standards that are not yet effective and that have not yet been endorsed by the European Union

- **Amendment in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. In December 2015 the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting.
The amendments have not yet been endorsed by the European Union, however the Company anticipates that the adoption of these new standards and amendments to the existing standards will have no material impact on the financial statements of the Company in the period of initial application.

- **IFRS 18 Presentation and Disclosures in Financial Statements**

The amendment which is effective as of 1 January 2027 and is issued by IASB on 9 April 2024 will replace IAS 1 Presentation of Financial Statements. Standard introduces three sets of new requirements to improve companies' reporting of financial performance and give investors a better basis for analysing and comparing companies. The main changes in the new standard compared with IAS 1 comprise: (a) The introduction of categories (operating, investing, financing, income tax and discontinued operations) and defined subtotals in the statement of profit or loss; (b) the introduction of requirements to improve aggregation and disaggregation; (c) The introduction of disclosures on Management-defined Performance Measures (MPMs) in the notes to the financial statements.
The amendments have not yet been endorsed by the European Union, however the Company is currently assessing the potential impact of the adoption of these new standards and amendments to the existing standards on the financial statements of the Company in the period of initial application.

- **IFRS 19 Subsidiaries without Public Accountability: Disclosures**

The standard is issued by IASB on 9 May 2024 and is effective starting 1 January 2027 . Standard permits a subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements. IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.
The standard has not yet been endorsed by the European Union, however the Company anticipates that the adoption of these new standards and amendments to the existing standards will have no material impact on the financial statements of the Company in the period of initial application.

- **IFRS 14 – Regulatory Deferral Accounts**

The standard is effective as of 1 January 2016 and was issued by the IASB on 30 January 2014. IFRS 14 permits first-time adopters of IFRS to continue recognizing regulatory deferral account balances in accordance with their previous GAAP upon transition to IFRS. However, it requires these balances to be presented separately in the financial statements and prohibits recognizing new regulatory deferral account balances after the transition date.
The standard does not apply to entities that have already adopted IFRS. It includes disclosure requirements to enhance transparency regarding the nature and financial effects of regulatory deferral accounts.
IFRS 14 has not been endorsed by the European Union, and the Company does not expect its adoption to have any impact on the financial statements, as the Company is not a first-time adopter of IFRS.

3. MATERIAL ACCOUNTING POLICIES

The separate financial statements of the Company have been prepared in accordance with the provisions of Order No. 2844 / 2016, for the approval of accounting regulations in accordance with International Financial Reporting Standards applicable to commercial companies whose securities are admitted to trading on a regulated market, with subsequent amendments and clarifications („OMFP 2844/2016).

3.1 Statement of compliance

The Company also prepares consolidated financial statements in accordance with IFRS as endorsed by the EU, which are available on the Company's website.

The accounting policies applied in these financial statements are the same as those applied in the Company's annual separate financial statements as at and for the year ended 31 December 2024, except for the adoption of new standards effective as of January 1st 2025.

The financial year corresponds to the calendar year.

Basis of preparation
The financial statements of the Company are presented in RON ("Romanian Leu"), using going concern principles. The financial statements have been prepared on the historical cost basis, except for certain items that have been measured at fair value, such as certain non-current assets and financial instruments, as presented in the notes to the financial statements.

3.2 Going Concern

These financial statements have been prepared on a going concern basis, which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Moreover, the Company is on a net current assets position (defined as current assets minus current liabilities) of RON 26,478,812 (as of 31 December 2024: RON 598,693). The Company will continue its activity according to the normal course of business in the foreseeable future without encountering the impossibility of continuing its activity or without the significant decrease of its activity.

For the purposes of assessing liquidity and going concern, the Company has modelled scenarios reflecting suitable assumptions over the next 12-month period that serve to inform the decisions the Company takes regarding future cost savings, cash generation, debt covenants and levels of investment. The Company's financial performance to date in 2026 across all revenue streams has been in line with the modelled scenarios.

In respect of the ongoing war in Ukraine, the Company does not own subsidiaries and affiliated entities on the territory of Ukraine, nor does it have any other relevant exposures in the countries directly involved in this conflict. From an operational point of view, the purchases of energy and natural gas are mainly made from the domestic market; availability, provenance and delivery of resources could be influenced by the dynamics of the conflict from region. During 2026, geopolitical tensions in the Middle East increased following the escalation of the situation involving Iran and other regional and international actors. These developments have contributed to volatility in global financial markets, particularly in relation to energy prices, international trade and supply chains. The Company has not identified any direct exposure to Iran or other significant impacts on its financial position, financial performance or cash flows.

Following the increase in the syndicated loan facility signed on 25 March 2025, the Company secured access to an additional facility of EUR 50 million at Group level, of which a portion has been utilized during 2025, while the remaining amount continues to be available for future drawdowns. Together with the Company's existing liquidity, these facilities provide financial flexibility to support potential acquisition opportunities as well as ongoing organic development projects.

All measures taken have been decided upon having in mind the Company's strategy to better position itself to all the new market changes, on the long term. As a consequence, the management focused on increasing efficiency of its operations in order to obtain better flexibility over capitalizing market opportunities.

Based on the Company's current financial position and the modelled scenarios, the directors have concluded that the Company has sufficient liquidity to meet all its obligations for at least the twelve months from the date of this report and the directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

3.3 Significant judgements, estimates and assumptions

The preparation of the financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities as of the date of the statement of financial position and revenue and expenses for the period. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

3.4.1. Judgements

In the process of applying the Company's accounting policies, the following judgments were made, particularly in respect to the following:

Determining the lease term of contracts with renewal and termination options – Med Life S.A as a lessee
The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Company has lease contracts which include extension and termination options.
The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. When determining the lease term to be used for the measurement of the lease, the

Company takes into account all the relevant facts and circumstances that create an economic incentive for exercising either the extension or termination option of the lease term.
For leases of buildings, vehicles and equipment, the following factors are normally the most relevant:
- If there are significant penalty payments to terminate (or not extend), the Company is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Company is typically reasonably certain to extend (or not terminate).
- Otherwise, the Company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.
- If the Company considers that some of the lease agreement shall be terminated earlier, then the assumption of the tenor shall be reassessed accordingly in order to fairly represent the management's view of the leased asset's impact to the financial statements.
- In case of lease term in relation to indefinite lease contracts the assumption applied was that the lease term will be similar to other contracts signed with the same provider or based on the relevant period beyond which the exercise of any option becomes uncertain.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee. Please see note 13.

Cash generating units (CGUs)
Management exercises judgement in determining the appropriate level of companying assets into CGUs, based on the fact that they share significant common infrastructure.

3.4.2. Estimates and assumptions
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Revaluation of Land and Buildings
The Company accounts for land and buildings using the fair value approach, based on market comparative valuations performed by certified ANEVAR professionals, in accordance with the International Valuation Standards. IAS 16 requires valuations to be performed with sufficient regularity as to ensure that the fair value does not materially differ from the carrying amount.

Upon revaluation, the Company is reviewing the classification of property, plant and equipment into categories, taking into account their nature, use, and characteristics, in order to ensure an appropriate classification. The review of the classification aims to faithfully reflect the nature and use of the assets in the separate financial statements, while also avoiding the selective revaluation of individual assets. The revaluation is applied to the entire category of property, plant and equipment in accordance with IAS 16.

As of 31 December 2025, the Company has performed revaluation procedures of land and buildings, please see Note 5 for further information, as well as Note 26 for the impact recognized in Deferred Tax.

Impairment of non-financial assets
The Company bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of six years. A long-term growth rate is calculated and applied to project future cash flows after the sixth year.

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a DCF (discounted cash flow) model. The cash flows are derived from the budget for the next six years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with definite or indefinite useful lives recognised by the Company. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in notes.

Allowance for expected credit losses of trade receivables
The Company always recognises lifetime expected credit losses (ECL) for trade receivables. The expected credit losses are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

In determining adjustments for impairment of receivables, management incorporates forward-looking information, exercises professional judgement and uses estimates and assumptions. Estimation of expected credit risk losses involved forecasting future macroeconomic conditions for the next year, adjusted to the average for 2026-2027 period in terms of three indicators: GDP growth, unemployment rate and inflation rate. More details on the provision matrix can be found in note 7 dedicated to receivables.

Allowance for expected credit losses of intercompany loans
In case of loans granted to related parties and other receivables with related parties, the Company considers that at the reporting date, the credit risk has not increased significantly since initial recognition, and measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.
For loans granted to related parties and trade and other receivables, the loss in allowance determined as of 31 December 2025 was not material and no allowance for expected credit loss in relation to loans grated to related parties was recorded.

Provision for litigation
Provisions for litigation are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation (legal or constructive) arising from past events, and a reliable estimate can be made of the obligation.
Management assesses ongoing litigation cases based on the information available at the reporting date, including legal advice and historical outcomes. The provision for litigation is estimated by evaluating the likelihood of unfavourable outcomes and the associated financial impact. Due to the inherent uncertainty in litigation, actual outcomes may differ from the estimates made, potentially resulting in adjustments to the provision in future reporting periods.
Please see note 12 for further details.

3.4 Foreign currency and translation

Presentation currency
These financial statements are presented in Romanian Leu ("RON"), which is the currency of the primary economic environment in which the Company operates (its "functional currency").

The exchange rates, as announced by the National Bank of Romania, on December 31, 2025 were RON 5.0985 for EUR 1 (December 31, 2024: RON 4.9741 for EUR 1), RON 0.2580 for 1 MDL (December 31, 2024: RON 0.2576 for 1 MDL), respectively RON 1.3250 for HUF 100 (December 31, 2024: RON 1.2106 for HUF 100).

The average exchange rates for the 12-month period 2025 were RON 5.0415 for EUR 1 (12 months 2024: RON 4.9746 for 1 EUR), RON 0.2573 for 1 MDL (12-month 2024: RON 0.2584 for 1 MDL), respectively RON 1.2681 for HUF 100 (12 months 2024: RON 1.2586 for HUF 100).

Translation of foreign currencies
Transactions in foreign currencies are initially recorded at the respective functional currency exchange rate valid at the time of the transaction. Foreign currency monetary assets and liabilities are translated into the functional currency at rates of exchange ruling at the reporting date. The foreign exchange differences arising on these translations are recognised as other financial income/expense in the income statement.

3.5 Property, plant and equipment

Property, plant and equipment under the revaluation model
Land and buildings held for use in the supply of services, or for administrative purposes, are stated in the statement of financial position at their fair value, being the revalued amount at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

The value of land and buildings owned presented in these financial statements is based on the valuation reports which were prepared as of December 31, 2025 by independent valuators certified by ANEVAR. The following steps were taken to estimate the fair value of the assets: analysis of assets subject to valuation; the evaluation approaches and the valuation methods applied were based on the category of assets analysed, their location, their characteristics, specific market information; application of appropriate valuation methods for each asset category (i.e. land and buildings) subject to evaluation and estimation of the fair value of the assets analysed at the valuation date, 31 December 2025. The previous revaluation of land and buildings was prepared as of December 31, 2022.

Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.
Accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

A revaluation surplus is recorded in OCI and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation surplus.

The Company transfers the revaluation surplus included in equity in respect of an item of property, plant and equipment directly to retained earnings when the asset is derecognised (i.e., retired or disposed of).

Property, plant and equipment using the cost model
Leasehold improvements fall in this category and are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is recognised on a straight-line basis over the estimated useful life. The estimated useful life for this type of asset is usually over the life of the lease, considering any potential contract prolongations.

Installations and equipment are also stated at cost, less accumulated depreciation and accumulated impairment losses, if any.

Assets under construction are recorded at cost, less accumulated impairment losses and depreciated once they become available for use.

An item of property, plant and equipment is initially recorded at cost. Cost includes all costs necessary to bring the asset to working condition for its intended use. This includes not only its original purchase price, but also costs of site preparation, delivery and handling, installation, related professional fees for architects and engineers, and the estimated cost of dismantling and removing the asset and restoring the site, if the case.
Proceeds from selling items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management are not deducted from the cost of the item of property, plant and equipment, but recognised in profit or loss.

An entity evaluates under the recognition principle all its property, plant and equipment costs at the time they are incurred. These costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, or replace part of it.

A condition of continuing to operate an item of property, plant and equipment may be performing regular major inspections for faults regardless of whether parts of the item are replaced.

Costs with capital repairs are included in the carrying amount of the asset when it is probable that future economic benefits above the initially evaluated standard of performance of the existing asset will be transferred to the Company. Capital repairs are depreciated over the remaining useful period of the respective asset.

When each major inspection is performed, its cost is recognised in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any remaining carrying amount of the cost of the previous inspection (as distinct from physical parts) is derecognised. This occurs regardless of whether the cost of the previous inspection was identified in the transaction in which the item was acquired or constructed. If necessary, the estimated cost of a future similar inspection may be used as an indication of what the cost of the existing inspection component was when the item was acquired or constructed.

Expenses for repairs and maintenance are recognized in the profit or loss account when incurred.

In case of replacements, cost includes the cost of replacing part of the plant or equipment when that cost meets the recognition criteria. If an item of property, plant and equipment consists of several components with different estimated useful lives, the individual significant components are depreciated over their individual useful lives.

Items such as spare parts, stand-by equipment and servicing equipment are recognised as property, plant and equipment when they meet the definition, considering the aggregation and materiality criteria. Otherwise, such items are classified as inventory.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. Estimated useful lives, residual values and depreciation method are reviewed at the end of each year, and the effects of changes in estimates are recorded prospectively.

The following useful lives are used in the calculation of depreciation:

	Years
Buildings	10 – 50 years
Leasehold improvements	Term of the expected lease term or useful life if shorter
Plant and equipment	3 – 15 years
Fixtures and fittings	3 – 15 years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

3.6 Intangible assets

Intangible assets acquired separately are measured at initial recognition at cost. Following initial recognition, intangible assets are stated at cost less accumulated amortization and accumulated impairment losses. Amortization is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Internally generated intangibles (excluding capitalised development costs for IT applications, capitalised costs for website development or capitalised costs related to research and development projects for medical purposes) are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Company's intangible assets are represented by software licenses, concessions, patents and other intangible assets that are amortized on a straight-line basis over a period of 3 years. Please see Note 5.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognized in profit or loss when the asset is derecognized.

Impairment of non-financial assets
At the end of each reporting period, the Company reviews whether there is an indication that an asset may be impaired.

If any such indication exists, the recoverable amount of the asset is estimated.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets that are not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. The Company bases its impairment calculation on most recent budgets and forecast calculations. These budgets and forecast calculations generally cover a period of six years. A long-term growth rate is calculated and applied to project future cash flows after the sixth year.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than it carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the asset is previously revalued with the revaluation taken to OCI, in which case the impairment loss is recognized in OCI up to the amount of any previous revaluation.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the assets or CGU's recoverable amount. Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.7 Inventories
Inventories are stated at the lower of cost and net realizable value. Cost of inventories comprises of all the costs incurred in bringing the inventories to their present location and condition. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. The Company applies FIFO as a costing method.

3.8 Cash and cash equivalents
Cash and cash equivalents are carried in the statement of financial position at amortized cost. For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand, cash held at banks with maturities of three months or less. For deposits at banks held with a maturity higher than three months, the Company assimilates the amounts also as cash and cash equivalents, due to the nature of the deposits, which are intended to cover short term cash commitments and not investment purposes, being highly liquid and readily convertible in cash, with no significant penalty in the case of early withdrawal.

3.9 Government grants
Government grants are assistance by government in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the entity. They exclude those forms of government assistance which cannot reasonably have a value placed upon them and transactions with government which cannot be distinguished from the normal trading transactions of the entity.

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

The Company has elected to present government grants relating to the purchase of property, plant and equipment in the statement of financial position as deferred income, which is recognised in profit or loss on a systematic and rational basis over the useful life of the asset.

3.10.1. Investments in subsidiaries

Investments in subsidiaries
In the separate financial statements investments in subsidiaries are stated at historical cost less accumulated impairment losses.

Dividends from subsidiaries
Dividends on equity instruments are recognized in profit or loss when the Company's right to receive the dividends is established. Income from dividends with subsidiaries are presented in Statement of Cash Flows under operating activities.

3.10.2. Transfer of business in a transfer between entities under common control

Goodwill is initially measured at cost, being the excess of the sum of the consideration transferred and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

After initial recognition, goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any. Goodwill is tested for impairment annually as at 31 December and when circumstances indicate that the carrying value may be impaired.

For the purposes of impairment testing, goodwill is allocated to each of the Company's cash-generating units that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss in the statement of comprehensive income/income statement. An impairment loss recognized for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

In case of transfer of business between entities under common control, the transactions is recognised at the consideration agreed between the parties, being the amount of cash paid or fair value of shares issued.

3.10.3 Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.10.4 Transfer of business

Acquisitions of businesses are accounted for using the acquisition method. The cost of acquisition is measured at the aggregate of the consideration transferred which is measured at the acquisition date fair value of assets given, liabilities incurred or assumed, and equity instruments issued by the Company in exchange for control of the acquiree.

The Company determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognized at their fair value at the acquisition date. Acquisition-related costs are expensed as incurred and included in administrative expenses.

Goodwill is initially measured at cost, being the excess of the sum of the consideration transferred and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

When the consideration transferred by the Company in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination.

After initial recognition, goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any. Goodwill is tested for impairment annually as at 31 December and when circumstances indicate that the carrying value may be impaired.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss in the consolidated statement of comprehensive income/income statement. An impairment loss recognized for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

3.11.1 Financial assets

Initial recognition and classification
Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

This classification on initial recognition depends on the Company's business model with regard to the management of financial assets and on the financial asset's contractual cash flows characteristics.

With the exception of trade receivables that do not contain a significant financing component, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price as disclosed in note 3.19.

Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets, as appropriate, on initial recognition.

A financial asset is measured at amortized cost if both of the following conditions are met:
- the financial asset is held using a business model that aims to hold financial assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely repayments of principal and interest on the principal outstanding.

The Company has only recognised and subsequently measured financial assets at amortised cost.

Subsequent measurement
Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Amortised cost and effective interest method
The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. For financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset. Interest income is recognised in profit or loss.

The Company's financial assets at amortized cost include the following: trade receivables, other receivables, other financial assets, cash and cash equivalents.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:
- The contractual rights to receive cash flows from the asset have expired or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.
When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment
The Company recognises an allowance for expected credit losses (ECLs) for all financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows, when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

For each risk bucket, an assessed loss rate is applied. These loss rates are determined through an analysis of historical trends, adjusted for current conditions and reasonable and supportable forecasts of future economic conditions. The application of these rates reflects the Company's best estimate of the losses inherent in the receivables portfolio as of the reporting date.
The ECL is updated at each reporting period to reflect changes in the credit risk profile of the receivables.

The Company recognises an impairment gain or loss in profit or loss for all trade receivables with a corresponding adjustment to their carrying amount through a loss allowance account.

Under IFRS 9 default is defined as a situation in which a financial asset is deemed to be in default, typically indicating that the borrower has failed to meet their contractual obligations. The Company considers a fully impairment adjustment for financial assets overdue more than 5 years, where collection actions are no longer performed.

3.11.2 Equity instruments and financial liabilities

Classification as equity or debt
Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

a) Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

b) Financial liabilities
Initial recognition and classification
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

The Company's financial liabilities include, loans and borrowings including bank overdrafts, other long-term debt.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. A contingent consideration classified as a financial liability is subsequently remeasured to fair value with the changes in fair value recognised in profit or loss.

Subsequent measurement
For purposes of subsequent measurement, financial liabilities are classified as financial liabilities at amortised cost. The Company has not designated any financial liability as at fair value through profit or loss.

This is the category most relevant to the Company and it includes loans and borrowings. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss. This category generally applies to interest-bearing loans and borrowings.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.12 Borrowing costs
General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset is capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings, pending their expenditure on qualifying assets, is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

3.13 Taxation
Income tax expense represents the sum of the tax currently payable and deferred tax.

Current income tax
Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date. Medlife S.A. calculates income tax based on turnover.

Deferred tax
Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that

taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Current and deferred tax for the period
Current and deferred tax are recognized as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognized directly in equity. It can also be recognized as other comprehensive income if the underlying transaction or event is recognized in OCI.

3.14 Share capital
Ordinary shares are classified as equity. The Company presents the amount of dividends recognised as distributions to owners during the period in the statement of changes in equity, and the related amount of dividends per share in the notes to the financial statements.

3.15 Treasury Shares
Own equity instruments that are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in share premium.

3.16 Share premiums
Share premiums are own funds created as a result of the difference between the issue value of the shares and the nominal value of the shares. The Company recorded share premiums as a result of the issue of shares.

3.17 Revaluation reserve and legal reserve

Revaluation reserve

The increases in the fair value of land and buildings are recorded against revaluation reserves. Any decreases in the fair value of land and buildings are first deducted from the revaluation reserves and then the difference is recorded through profit and loss accounts. The revaluation is performed with sufficient regularity as to ensure that the Company presents land and buildings at fair value in the financial statements. The revaluation reserve is transferred to retained earnings upon disposal of assets.

Legal reserve

In accordance with Romanian regulations, the legal reserve represents a statutory reserve required to be set aside from the Company's result before taxes. The legal reserve is established to cover potential future liabilities and to strengthen the financial position of the Company.
The legal reserve is calculated as a specified percentage of result before taxes, typically 5%, until the reserve reaches 20% of a company's share capital. The legal reserve can only be used to cover losses incurred by the company or to increase share capital, subject to the approval of the company's shareholders. It cannot be distributed as dividends or used for any other purpose unless specified in the national regulations.

Reserves for share-based remuneration

Starting with 2025, the fair value of the share-based awards at the grant date is recognized as an employee benefit expense (please see Note 3.20) with a corresponding increase in equity within Reserves for share-based remuneration, throughout the vesting period, based on the estimated number of awards expected to vest.
At each vesting date, shares are delivered to employees and the related amount recognised in the Reserves for share-based remuneration is decreased, along with a release on the treasury shares account. Any difference between the cost of the treasury shares and the amount derecognised in Reserves for share-based remuneration at the time of vesting is recorded directly in equity.

3.18 Provisions
Provisions are recognized when the Company has a legal or constructive obligation, as a result of a past event, it is probable that there will be a future outflow of resources in order to settle this obligation and a reliable estimate can be made of the amount of the obligation. Provisions for risks and charges are assessed at the end of each period and adjusted in order to present management's best estimate.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Liabilities provided for legal matters require judgements regarding projected outcomes and ranges of losses based on historical experience and recommendations of legal counsel. Litigation is however unpredictable and actual costs incurred could differ from those estimated at the reporting date.

Liabilities for unused holidays refer to the entitlement for employees to accumulate vested leave benefits. The Company recognises a liability for compensated absences as it has an obligation to compensate employees for future absences attributable to employees' services already rendered, the obligation relates to rights that accumulate from period to period, it is probable that the amount will be paid and a reliable estimate can be made of the amount of the obligation.

A vesting obligation is where employees are entitled to a cash payment for unused leave entitled upon leaving the entity. The amount of the obligation will therefore be equal to the number of unused leave multiplied by the relevant employee's gross salary at the reporting date.

The obligation is initially recognised during the vesting period based on the best available estimate of the accumulated leave expected to vest. The estimate is revised each period end if subsequent information indicates that the accumulated leave expected to vest differs from previous estimates. On vesting date, the Company revises its estimate to equal the accumulated leave that ultimately vested.

3.19 Revenue from contracts with customers recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company provides health care medical services to corporate and retail customers, in which one performance obligation is a promise to transfer distinct services to the beneficiary.

Med Life's core activities

The Company's core activities are conducted through four business lines, providing a well-balanced business portfolio that covers all key segments of the private medical services market. Disaggregation of revenue from contracts with customers by business line comprises the following major categories: clinics, hospitals, laboratories and corporate.

The Company's business and revenue model focuses on the spending power of corporations and private individuals on medical services, while the State's contribution through the National Health Insurance House ("NHIH") represents a complement, not the core revenue of the Company's activities. However, the National Health Insurance House is considered to be one major customer that goes across multiple sectors such as: clinics, hospitals and laboratories, and from which the Company receives the consideration based on reaching pre-established ceilings, for the medical services provided to the State's insured patients, which are the end users of the healthcare medical services. The revenue in relation with NHIH is recognised at the end of the month, when the Company has an enforceable right to receive payment for performance completed up to date, as the end user receives and consumes the benefits provided by the entity's performance as the entity performs.

Nature and timing of satisfaction of performance obligations	**Recognition policy**
Revenues from Clinics business line The core of the Company's operations is the network of ambulatory clinics, which offer a wide range of outpatient services covering a broad range of medical specialties, including diagnostic imaging services (provided to clients other than hospital inpatients).	The revenues are recognised at a point in time when the medical services are rendered to the client and the performance obligation is satisfied.
Revenues from Laboratories business line This business line provides the following range of services: biochemistry, pathological anatomy (cytology and histology), molecular biology and genetics, hematology, immunology, microbiology and toxicology. Sampling points are locations where the Company collects blood and other samples from patients. The Laboratories business line sources the bulk of its revenue from FFS clients.	The revenues are recognised at a point in time when the medical services are rendered to the client and the performance obligation is satisfied.
Revenues from Hospitals business line Hospital services provided to patients comprise of medical services, accommodation, meals, use of medical equipment, pharmacy stock and nursing services, with multiple performance obligations being provided. The revenues are predominantly obtained from FFS patients. The Company does not expect to have any contracts where the period between the transfer of the promised service to the patient and the payment by the patient exceeds one year. Consequently, the Company does not adjust any of the transaction price for time value of money.	The revenues are recognised at a point in time, when the consumption of the benefits for the services provided is accomplished.

Revenues from Corporate business line This business line offers HPPs (health prevention packages) on a subscription basis, generally to corporate clients, as part of the benefit packages for their employees, as follows: - Mandatory occupational health services, which mainly include the provision of annual employee check-ups and more specific services depending on the client's industry. - More general, "prevention oriented" health plans, providing expanded access to general practitioners and specialists in the Company's clinics and as well as specified laboratory tests and imaging services.	The revenue is recognized over time, on a stand-ready approach. The Company has a stand-ready obligation to corporate clients to provide healthcare services on demand and the customer benefits evenly throughout the contract period. Thus, the Company uses a straight-line measure of progress over the period during which the customer has the right to such services.

Principal versus agent considerations
The Company has concluded that it is the principal in all its revenue arrangements since it is the primary obligor in all the revenue arrangements and has pricing latitude.

Contract assets and liabilities
A contract asset (accrued income) is the right to consideration in exchange for services transferred to the customer. Where the Company transfers services to a customer over time before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration to date under the contract. Contract assets are presented within trade and other receivables (Note 7) on the Company's Balance Sheet and are expected to be realized in less than one year.

A contract liability (deferred income) is the obligation to transfer services to a customer for which the Company has received consideration from the customer. Where the customer pays consideration before the Company transfers services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract. Contract liabilities are presented within trade and other payables (Note 10) on the Statement of Financial position.

Using the practical means of IFRS 15, the Company does not adjust the promised amount of consideration for the effects of a significant component of financing if it expects, at the beginning of the contract, that the period between the transfer of the promised service to the client and when the client pays for that service will be one year. less. The majority contracts are under one year.

Contracts are for periods of less than one year or are billed based on the services performed. As permitted by IFRS 15, the transaction price allocated to these unfulfilled contracts is not disclosed.

3.20 Employee benefits
The Company, in the normal course of business, makes payments to the Romanian State on behalf of its employees for pensions, health care and unemployment cover. The cost of these payments is charged to the statement of comprehensive income in the same period as the related salary cost.

All employees of the Company are members of the Romanian State pension plan. The Company does not operate any other pension scheme.

Bonus schemes
The Company recognizes a liability and an expense where a contractual obligation exists for short-term incentives. The amounts payable to employees in respect of the short-term incentive schemes are determined based on annual business performance targets.

Equity-settled share-based payments
Starting with 2025, the Company applies IFRS 2 (Share-based Payment) to transactions in which the award and settlement are share-based. In accordance with this standard, Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of the number of equity instruments that will eventually vest. The fair value was determined using appropriate valuation models, taking into account the specific characteristics of the plan, relevant market data at the grant date and certain assumptions made at Company level.

At each reporting date, the Company revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to Reserves for share-based remuneration (please see Note 3.17).

3.21 Fair value
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

Certain accounting policies of the Company and information presentation criteria require determination of the fair value both for the assets and the liabilities of the Company. In determining the fair value of assets and liabilities, the Company

uses as much as possible observable market values. Fair values are classified on various levels based on inputs used in valuation techniques, as follows:
- Level 1: (unadjusted) quoted prices on active markets for identical assets and liabilities
- Level 2: inputs, other than the prices included in level 1, which are observable for assets and liabilities, either directly (e.g.: prices) or indirectly (e.g.: derived from prices)
- Level 3: inputs for evaluation of assets and liabilities which are not based on observable market data.

In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. Additional information on the assumptions made in measuring fair values is included in Note 5.

3.22 Segment information

The Company has identified four core business lines, which comprise the following major categories: clinics, hospitals, laboratories and corporate, with the main business activity being the provision of healthcare services, as a result of completion of the medical act.

According to IFRS 8, an operating segment is a component of an entity:
(a) that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity),
(b) whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and
(c) for which discrete financial information is available.

In determining the Company's operating segments, management has primarily considered the financial information included in internal reports that are reviewed and used by the Board of Directors (who together are the chief operating decision maker of Company) in assessing performance and determining the allocation of resources.
Considering the integrated healthcare services offering, there is no distinction in control by whether the services (as defined in Romanian social insurance legislation) are attributed to the inpatient or the outpatient sector. All expenses and income which are directly or indirectly related to patients are included under the operating segments.

As a result of the same structural framework conditions, the operations of the Company with the healthcare services provided are characterised by a similar risk and rewards profile whose economic environment is largely regulated by legislation. The characteristics of healthcare services are around physical facilities staffed by professionals in direct contact with patients. The payment for these services are either direct payment by the patient or indirect via an employer paid benefit/insurance and in much smaller degree by public health funds. In all these cases the beneficiary of the service is always the individual patient.
Because of the specific nature of the source of funds that finance the provision of medical services to the end users (i.e. patients) the correct allocation of profitability for each business line is limited considering that they are complementary in servicing the patient: one would originate whereas the other might render the medical services. In this respect, the business lines could not operate on their own, proving, once again, their highly interdependent nature.

The following operating business lines were aggregated **to one reporting segment, being the provision of Healthcare Services**, since they exhibit similar economic characteristics: clinics, hospitals, laboratories and corporate.

3.23 IFRS 16 - Leases
Given its large and complex operations, the Company leases a significant number of assets including buildings and land for operational activities, medical equipment and vehicles. Contractual periods differ, depending on the lease type and the leased asset, the driver being the strategic point of view the Company has into further managing its asset portfolio.

The management has evaluated its options for early termination as well as the existence of the Company's single triggered decision to extend the lease term, on a case-by-case basis. In determining the lease term, all facts and circumstances that create an economic incentive to exercise an extension option, or to exercise a termination option, are considered.

The Company leases various buildings, equipment, vehicles and other assets. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor.

The Company assesses whether a contract is or contains a lease, at inception of the contract. Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company - except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. Payments associated with short-term leases and all leases of low-value assets (including small equipment such as printers, PC's and others) are recognised on a straight-line basis as an expense in profit or loss. Assets and liabilities arising from a lease are initially measured on a present value basis.

Lease liabilities include the net present value of the following lease payments to be made over the lease term:
- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;

(all amounts are expressed in RON, unless otherwise specified)

- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The exercise price of a purchase option if the Company is reasonably certain to exercise that option;
- Payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option;
- Amounts expected to be paid under residual value guarantees.

The lease payments are discounted using the lessee's incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. To determine the incremental borrowing rate, the Company uses recent third-party financing received by the lessee as a starting point and adjusts the rate to reflect changes in financing conditions since the third-party financing was received.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:
- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Right-of-use assets are measured at cost comprising the following:
- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentives;
- Any initial direct costs; and
- Restoration costs.

After initial recognition, right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.
Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.
Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient.

The following useful lives on average are used in the calculation of depreciation for right-of-use assets, determined based on the lease term of the contractual agreements:

	Years
Buildings	6 – 10 years
Medical equipment	3 – 4 years
Vehicles	3 – 5 years

4. GOODWILL, INVESTMENT IN SUBSIDIARIES AND OTHER FINANCIAL ASSETS

4.1 Goodwill

In accordance with Contract dated 25th of April 2025, the activity of the IT Repair entity was transferred to the Company, which resulted in the recognition of goodwill. This goodwill is tested at least annually for impairment.

	31 December 2025	31 December 2024
Goodwill	2,317,559	-
TOTAL	**2,317,559**	**-**

(all amounts are expressed in RON, unless otherwise specified)

The recoverable amount is based on fair value less cost of disposal (FVLCOD) of the underlying assets of the CGU. The discounted future Cash flows of the CGU, using the DCF (discounted cash-flow) method, are determined on the basis of the approved business plans for 2026 that forecast financial position and results of operations and take into account historical values and estimated performance. Cash flows are estimated in RON, having a nominal value. The results are then extrapolated for 5 additional years using bottom-up, 5-year planning that reflects the future development of the CGUs under current conditions.

After the six-year time period, a perpetuity value is calculated using a conservative Company-wide growth rate. To determine the present value of future Cash flows, a discount rate based on the weighted average cost of capital (WACC) is applied. The valuation is considered to be level 3 in the fair value hierarchy due to unobservable inputs used in the valuation. There are a number of key sensitive judgements made in determining the inputs into these models which include:
- Revenue growth considered for the next years and also the perpetual growth rate
- The discount rates applied to the projected future cash flows – please see below a summary on the key sensitive metrics used in the discounted cash-flow model, for both years:

	2025	**2024**
Discount rate used	10.5%	0%
Sales annual growth	5%	0%
Long-term growth rate used in 2025	2.5%	0%

The estimated future Cash flows are derived from the business plans approved by the responsible bodies. The assumptions underlying the main planning parameters take into account not only past experience and aspects arising from the operating business. The operating margin results from the application of the assumed planning assumptions. For the subsequent years, an average of the operating margins is assumed (continuation planning period), adding a slight increase. Cash flows beyond the six-year period are extrapolated using an estimated growth rate, which is consistent with forecasts specific to the industry in which the CGU operates. The discount rate is an after-tax rate that reflects current market assessments of the time value of money and the specific risks of the CGU. WACC (weighted average cost of capital) is used to estimate the rate.

The sensitivity analysis was performed according to the changes of the main factors: WACC discount rate plus 2 percent and operating margin decrease with 20 percent. In performing the sensitivity analysis, an increase in WACC of 2 percent would give rise to a reduction in the Company-wide surplus with 26%, namely a decrease from RON 2.9 mil to RON 2.3 mil in the recoverable amount. A decrease in the operating margin of 20 percent would give rise to a reduction in the Company-wide surplus with 32%, namely a decrease from RON 2.9 mil to RON 2.2 mil in the recoverable amount.

Management is confident that the business plan used in goodwill impairment testing followed a conservative approach, while negative developments in the analysed parameters are unlikely to materialize.

Management has engaged external specialists to assist with the impairment analysis.

4.2. Investment in subsidiaries

The Company holds significant investments in other companies.

Cost of investments	**31 December 2025**	**31 December 2024**
Balance at the beginning of the year	507,838,848	488,124,810
Investments recognised during the year	50,943,860	19,714,038
TOTAL	**558,782,708**	**507,838,848**

Increased participation in RMC companies
In April 2025, the Company increased its participation with 11.55% shares in RMC Hungary, reaching a stake of 100%. RMC has been part of Medlife Group since 2019, when representatives announced the acquisition of 51% of its shares.

Increased participation in Sweat Concept
In August 2025, the Company increased its participation with 14.95% shares in Sweat Concept One SRL, reaching a stake of 74.954%, by converting the loans held in share capital.

Routine Med Group acquisition
In January 2025, the Company finalized the acquisition of a 60% stake in Routine Med, a healthcare group based in Tulcea. Routine Med's operations include medical recovery hospital and outpatient services. The acquisition enhances the Company's reach in southeastern Romania, expanding access to more than 20 medical and surgical specialties in Dobrogea.

All Clinic acquisition

(all amounts are expressed in RON, unless otherwise specified)

In March 2025, the Company, via its expansion strategy, acquired a majority stake in All Clinic, marking one of its first moves beyond Romania's borders. All Clinic, founded in 1999, comprises three private multidisciplinary clinics in the Republic of Moldova. They offer outpatient services across about 20 medical specialties including family medicine, cardiology, gastroenterology, neurology, pediatrics, and gynecology.

Medlife Health incorporation

In September 2025, the Company finalized the incorporation of Medlife Health, a company based in Moldova. Company's participation in shares is of 70%.

The following table includes the list of Company's subsidiaries as well as entities that are indirectly controlled, as follows:

No.	Entity	Main activity	Location	31 December 2025	31 December 2024
1	Policlinica de Diagnostic Rapid SA	Medical Services	Brasov, Romania	83%	83%
2	Medapt SRL (indirect)*	Medical Services	Brasov, Romania	83%	83%
3	Histo SRL (indirect)*	Medical Services	Brasov, Romania	50%	50%
4	Policlinica de Diagnostic Rapid Medis SRL (indirect)*	Medical Services	Sfantu Gheorghe, Romania	66%	66%
5	Bahtco Invest SRL	Development of building projects	Bucharest, Romania	100%	100%
6	Med Life Ocupational SRL	Medical Services	Bucharest, Romania	100%	100%
7	Pharmalife-Med SRL	Distribution of Pharmaceutical Products in specialised stores	Bucharest, Romania	100%	100%
8	Med Life Broker de Asigurare si Reasigurare SRL	Insurance broker	Bucharest, Romania	99%	99%
9	Genesys Medical Clinic SRL	Medical Services	Arad, Romania	83%	83%
10	RUR Medical SRL (indirect)*	Rental Services	Brasov, Romania	83%	83%
11	Biotest Med SRL	Medical Services	Bucharest, Romania	100%	100%
12	Vital Test SRL	Medical Services	Iasi, Romania	100%	100%
13	Centrul Medical Sama SA	Medical Services	Craiova, Romania	90%	90%
14	Ultratest SA (direct si indirect)*	Medical Services	Craiova, Romania	92%	92%
15	Prima Medical SRL	Medical Services	Craiova, Romania	100%	100%
16	Stem Cells Bank SA	Medical Services	Timisoara, Romania	100%	100%
17	Dent Estet Clinic SA	Dental healthcare	Bucharest, Romania	65%	65%
18	Green Dental Clinic SRL (indirect)*	Dental healthcare	Bucharest, Romania	33%	33%
19	Aspen Laborator Dentar SRL (indirect)*	Dental healthcare	Bucharest, Romania	49%	49%
20	Centrul Medical Panduri SA	Medical Services	Bucharest, Romania	100%	100%
21	Almina Trading SA	Medical Services	Targoviste, Romania	90%	90%
22	Anima Specialty Medical Services SRL	Medical Services	Bucharest, Romania	100%	100%
23	Anima Promovare si Vanzari SRL	Medical Services	Bucharest, Romania	100%	100%
24	Valdi Medica SA	Medical Services	Cluj, Romania	55%	55%
25	Clinica Polisano SRL	Medical Services	Sibiu, Romania	100%	100%
26	Solomed Clinic SA	Medical Services	Pitesti, Romania	80%	80%
27	Solomed Plus SRL (indirect)*	Medical Services	Pitesti, Romania	80%	80%
28	Sfatul medicului SRL	Medical Platform	Bucharest, Romania	100%	100%
29	RMC Dentart (indirect)*	Dental healthcare	Budapesta, Hungary	100%	89%
30	RMC Medical (indirect)*	Medical Services	Budapesta, Hungary	100%	89%
31	RMC Medlife	Holding	Budapesta, Hungary	100%	89%
32	Badea Medical SRL	Medical Services	Cluj, Romania	65%	65%
33	Oncoteam Diagnostic SRL	Medical Services	Bucharest, Romania	100%	100%
34	Centrul medical Micromedica SRL	Medical Services	Piatra Neamt, Romania	100%	100%
35	Micromedica Targu Neamt SRL (indirect)*	Medical Services	Targu Neamt, Romania	100%	100%
36	Micromedica Bacau SRL (indirect)*	Medical Services	Bacau, Romania	100%	100%
37	Micromedica Roman SRL (indirect)*	Medical Services	Roman, Romania	100%	100%
38	Medrix Center SRL (indirect)*	Medical Services	Roznov, Romania	100%	100%
39	Spitalul Lotus SRL	Medical Services	Ploiesti, Romania	100%	100%
40	Pharmachem Distributie SRL	Distribution of Pharmaceutical Products in specialised stores	Bucharest, Romania	75%	75%
41	KronDent SRL (indirect)*	Dental healthcare	Brasov, Romania	39%	39%
42	Medica SA	Medical Services	Sibiu, Romania	60%	60%
43	Dent Estet Ploiesti SRL (indirect)*	Dental healthcare	Ploiesti, Romania	33%	33%
44	Stomestet SRL	Dental healthcare	Cluj, Romania	60%	60%
45	Costea Digital Dental SRL (indirect)*	Dental healthcare	Oradea, Romania	38%	38%
46	Expert Med Centrul Medical Irina (indirect)*	Medical Services	Galati, Romania	76%	76%
47	MNT Healthcare Europe SRL	Medical Services	Ilfov, Romania	50%	50%
48	MNT Asset Management SRL (indirect)*	Holding	Bucharest, Romania	50%	50%
49	Pro Life Clinics SRL (indirect)*	Medical Services	Iasi, Romania	78%	78%
50	Onco Card SRL (indirect)*	Medical Services	Brasov, Romania	83%	83%
51	Onco Card Invest SRL (indirect)*	Holding	Brasov, Romania	83%	83%
52	Tomorad Expert SRL (indirect)*	Medical Services	Sfantu Gheorghe, Romania	66%	66%
53	IT Repair SRL (indirect)*	Medical Services	Targu Mures, Romania	83%	50%

(all amounts are expressed in RON, unless otherwise specified)

No.	Entity	Main activity	Location	31 December 2025	31 December 2024
54	Medici's SRL	Medical Services	Timisoara, Romania	80%	80%
55	Micro-Medic SRL (indirect)*	Medical Services	Timisoara, Romania	80%	80%
56	Sweat Concept One SRL	Welness	Bucharest, Romania	75%	60%
57	OptiCristal Consult SRL (indirect)*	Medical Services	Brasov, Romania	50%	50%
58	Alinora Optimex SRL (indirect)*	Medical Services	Brasov, Romania	50%	50%
59	SC M-Profilaxis SRL (indirect)*	Medical Services	Timisoara, Romania	100%	100%
60	VitaCare Flav SRL (indirect)*	Medical Services	Pitesti, Romania	51%	51%
61	Dent Estet Genesys SRL (indirect)*	Medical Services	Arad, Romania	74%	74%
62	Sanopass SA	Medical Platform	Targoviste, Romania	100%	100%
63	Muntenia Medical Competences S.A. (indirect)*	Medical Services	Pitesti, Romania	51%	51%
64	Bios Diagnostic Medical Services SRL (indirect)*	Medical Services	Bucharest, Romania	51%	51%
65	Centrul de Diagnostic si Tratament Provita S.A.	Medical Services	Bucharest, Romania	51%	51%
66	Medical City Blue SRL (indirect)*	Medical Services	Bucharest, Romania	51%	51%
67	Laborator Cuza Voda SRL (indirect)*	Medical Services	Bucharest, Romania	51%	51%
68	Provita Pain Clinic SA (indirect)*	Medical Services	Suceava, Romania	36%	36%
69	Policlinica Union SRL (indirect)*	Medical Services	Cluj, Romania	51%	51%
70	Brol Medical Center S.A. (indirect)*	Medical Services	Timisoara, Romania	80%	56%
71	Provita 2000 SRL (indirect)*	Medical Services	Constanta, Romania	100%	100%
72	Nord Management Solutions SRL (indirect)*	Development of building projects	Bucharest, Romania	51%	51%
73	Med Varix SRL (indirect)*	Medical Services	Timisoara, Romania	56%	56%
74	Personal Genetics SRL	Medical Services	Bucharest, Romania	100%	100%
75	Nord Soma SA (indirect)*	Medical Services	Bucharest, Romania	26%	26%
76	Super Age by Nord SA (indirect)*	Medical Services	Bucharest, Romania	38%	26%
77	VP-MED Kereskedelmi es Szolgaltato Korlatolt Felelossegu Tarsasag (indirect)*	Medical Services	Budapest, Hungary	83%	83%
78	Centrul Medical Antares SRL (indirect)*	Medical Services	Piatra Neamt, Romania	100%	100%
79	Euromedica Hospital SA(indirect)*	Medical Services	Baia Mare, Romania	80%	80%
80	Euromedica Administrator SA (indirect)*	Holding	Baia Mare, Romania	80%	80%
81	Cabinet Medical Dr. Bacila Mihai SRL (indirect)*	Medical Services	Tulcea, Romania	48%	0%
82	Alfalux Dent SRL (indirect)*	Dental healthcare	Tulcea, Romania	60%	0%
83	Medical Center Spital SRL (indirect)*	Medical Services	Tulcea, Romania	60%	0%
84	Mega Optic SRL (indirect)*	Medical Services	Tulcea, Romania	60%	0%
85	Super Optosan SRL (indirect)*	Medical Services	Tulcea, Romania	60%	0%
86	Micro Medic SRL (indirect)*	Medical Services	Constanța, România	100%	0%
87	Routine Med SA	Medical Services	Tulcea, Romania	60%	0%
88	All Clinic SRL	Medical Services	Chisinau, Republica Moldova	70%	0%
89	Medlife Health	Medical Services	Chisinau, Republica Moldova	70%	0%
90	1ST ENDO MEDICAL SRL (indirect)*	Medical Services	Timisoara, Romania	41%	0%

**These companies are subsidiaries of other subsidiaries in the Group and are included in the consolidation, as they are controlled by the entities which are subsidiaries of the ultimate parent.*

Management conducts impairment tests whenever there is an indication of impairment to assess the recoverability of the carrying value of investments at individual level. This is performed using discounted cash flow models. The impairment test is performed at the level of each company with impairment indicator. The results showed that for the entities subject to the impairment test, the related equity value is higher than their net book value, therefore no impairment of their respective cost of investment was recorded on the reporting date. Management has engaged external specialists to assist with the impairment analysis, the entire valuation process being performed by certified ANEVAR valuators. There were no changes in the valuation techniques compared to prior year.

(all amounts are expressed in RON, unless otherwise specified)

4.3. Other financial assets

Carrying amount	31 December 2025	31 December 2024
Long-term loans granted to group companies	15,308,716	14,722,878
Other financial assets	2,231,678	2,210,065
TOTAL	**17,540,394**	**16,932,943**

Long-term loans granted to other companies of Medlife Group

As of December 31, 2025, the Company presents long-term loans granted to Bahtco Invest SA and Medlife Ocupational SRL. Please refer to Note 23 for more details.

Other financial assets

Other financial assets represent mainly rent deposits with a maturity longer than one year.

(all amounts are expressed in RON, unless otherwise specified)

5. INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

	Intangible assets	*Property, plant and equipment*				
	Intangibles	**Land and Buildings**	**Leasehold improvements**	**Vehicles and equipment**	**Construction in progress**	***Total Property, plant and equipment***
Cost						
31 December 2024	**80,599,296**	**227,567,023**	**73,462,609**	**304,450,951**	**20,378,773**	***625,481,119***
Additions	13,158,233	-	-	53,366,253	9,371,537	*62,737,790*
Transfers	-	29,652,029	-	-	(29,652,029)	-
Disposals	(294)	-	-	(312,928)	-	*(312,928)*
Reclassifications during the year	-	1,591,035	(1,591,035)	(378,239)	-	*(378,239)*
Impact of revaluation (elimination of accumulated depreciation and impairment from cost)	-	(14,219,025)	-	-	-	*(14,219,025)*
Impact of revaluation recognized in other comprehensive income	-	5,764,642	-	-	-	*5,764,642*
Revaluation losses recognized in the profit and loss account	-	(64,860)	-	-	-	*(64,860)*
31 December 2025	**93,757,235**	**250,290,844**	**71,871,575**	**357,126,037**	**98,281**	**679,008,498**

	Intangibles	**Land and Buildings**	**Leasehold improvements**	**Vehicles and equipment**	**Construction in progress**	***Total Property, plant and equipment***
Depreciation						
31 December 2024	**57,962,804**	**7,796,625**	**53,158,486**	**189,910,701**	**-**	***250,487,574***
Charge of the year	8,986,654	4,471,632	3,254,828	30,281,891	-	*38,008,350*
Disposals	(51)	-	-	11,839,878	-	*11,839,878*
Reclassifications during the year	-	1,950,768	(1,950,768)	(378,239)	-	*(378,239)*
Revaluation impact (accumulated depreciation and impairment eliminated against cost)	-	(14,219,025)	-	-	-	*(14,219,025)*
31 December 2025	**66,949,406**	**-**	**54,462,546**	**231,654,231**	**-**	**285,738,538**
Net Book Values						
31 December 2024	**22,636,493**	**219,770,398**	**20,304,123**	**114,540,250**	**20,378,773**	***374,993,544***
31 December 2025	**26,807,829**	**250,290,844**	**17,409,028**	**125,471,807**	**98,281**	***393,269,961***

As at 31 December 2025, upon revaluation, in order to avoid the selective revaluation of asset categories, the Company reclassified property, plant and equipment between categories with a gross book value of RON 378,239 and accumulated depreciation of RON 378,239, resulting in no impact on the net book value.

(all amounts are expressed in RON, unless otherwise specified)

	Intangibles	Land and Buildings	Leasehold improvements	Vehicles and equipment	Construction in progress	*Total Property, plant and equipment*
Cost						
31 December 2023	**69,886,132**	**222,570,260**	**70,734,554**	**265,624,296**	**16,486,519**	***575,415,629***
Additions	10,713,164	195,605	-	38,858,209	11,421,468	*50,475,282*
Transfers	-	4,801,158	2,728,055	-	(7,529,213)	*-*
Disposals	-	-	-	(31,554)	-	*(31,554)*
31 December 2024	**80,599,296**	**227,567,023**	**73,462,609**	**304,450,951**	**20,378,773**	***625,859,357***

	Intangibles	Land and Buildings	Leasehold improvements	Vehicles and equipment	Construction in progress	*Total Property, plant and equipment*
Depreciation						
31 December 2023	**50,719,178**	**3,913,275**	**50,580,238**	**164,435,297**	**-**	***218,928,810***
Charge of the year	7,243,626	3,883,350	2,578,248	25,107,188	-	*31,568,787*
Disposals	-	-	-	(9,654)	-	*(9,654)*
Impairment losses recognized in profit or loss	-	-	-	377,870	-	*377,870*
31 December 2024	**57,962,804**	**7,796,625**	**53,158,486**	**189,910,701**	**-**	***250,865,813***
Net Book Values						
31 December 2023	**19,166,954**	**218,656,985**	**20,154,316**	**101,188,999**	**16,486,519**	***356,486,819***
31 December 2024	**22,636,493**	**219,770,398**	**20,304,123**	**114,540,250**	**20,378,773**	***374,993,545***

5.1. Land and buildings carried at fair value

The value of land and buildings of the Company are stated at their revalued amounts, being the fair value at the date of revaluation, which is 31 December 2025 (the previous revaluation process took place as of 31 December 2022).
The fair value measurements of the Company's freehold land and buildings as at 31 December 2025 were performed by independent valuers not related to the Company. They are certified by ANEVAR and have appropriate qualifications and experience in the fair value measurement of properties in the relevant locations.

The total revaluation difference was in amount of RON 5,764,642. The difference was recorded in the revaluation reserve as a surplus (please refer to Note 16).
In the statement of profit or loss the overall negative impact registered is of RON 64,860 as a result of the revaluation. Please also refer to Note 26 for impact recognised for Deferred Tax.

The fair value was determined by reference to market-based evidence, using the market comparable method, the cost and income approach. The valuation techniques are selected by the independent appraiser, in accordance with International Valuation Standards.
The fair value is overall determined to be Level 3 in the fair value measurement hierarchy. The inputs used in the valuation were:
- Level 2 inputs based on the IFRS 13 classification (e.g. current rents, prices per sqm, yields, occupancy rates, etc. publicly available on the market for similar assets and other market-corroborated inputs), or
- Level 3 (unobservable) inputs through which Group develops unobservable inputs using the best information available in the circumstances, which might include the entity's own data, rather than direct inputs from the market, with orderly adjustments performed by the appraiser in order to determine fair value.

The fair value of the free land was determined based on the market price comparison method. This method was considered appropriate due to the nature of the assets valued, which have an active market. An active market is a market that simultaneously meets the following three conditions: goods traded on the market are homogeneous, buyers and sellers can be found at any time on the market and prices are available to the public.
In estimating the value, it was taken into account the physical condition indicated by the company's representatives and found at the time of the field valuation of the assets, as well as the information available in relation to the analysed assets and data extracted from the market analysis. Assets were compared with other similar assets and adjustments were made accordingly to indicate the current value.

Key input used in the revaluation of Land is the price per square meter (EUR/sqm), which reflects observable market data derived from recent transactions of comparable properties. This input is determined by analyzing sales of similar assets in comparable locations and adjusting for differences such as size, location, condition, accessibility, and permitted use. Depending on the location, the price per sqm used in the valuation are as follows: for Bucharest, ranging from EUR 654 to EUR 1,905 / sqm; for Constanta, ranging from EUR 543 to EUR 777 / sqm; for Galati, ranging from EUR 335 to EUR 403 / sqm; for Iasi, ranging from EUR 290 to EUR 349 / sqm.

The cost approach was chosen exclusively for properties that, although directly generating profit, have an unique nature, special destination and physical characteristics. The assets which were valued with cost approach refers mostly to hospital buildings. The lack of hospital facilities on the market makes the Income or Market approach very difficult to apply due to absence of market comparable data or, if any exist, they are extremely limited and insignificant in terms of equipment or involved surface areas.
The cost method reflects the costs which a market participant would incur to construct or acquire assets of similar utility and age, adjusted for obsolescence and other relevant forms of depreciation.

The income approach is based on the idea that the real estate being appraised can be a revenue-generating investment. The rental value is obtained through direct comparisons from the appraiser's database or information obtained from real estate agencies, using the average rental values identified on the market, or, if the situation of the building requires it, the closest rental value can be selected by considering the similarity of comparable properties.
Direct capitalization is the method used to transform the estimated level of net income into a property valuation indicator. Considering the fact that certain buildings with clinical functionality can be converted into office spaces, the appraiser used the income approach. Thus, comparable rental and sale market data for relatively similar buildings were extracted to generate both an average rent and an average capitalization rate, which in turn led to a value for the analysed property. The reported rents are of a contractual nature, therefore, the facilities granted by the owner (such as free rent months or the owner's contribution to the space arrangement) are not taken into account.

For the sensitivity analysis two important elements of the income approach were analysed, namely:

- Losses due to vacancy
- Capitalization rate

Losses due to vacancy represent the loss of potential gross income in case the property that is intended to be rented cannot be rented, rent is not paid or the tenant is changed. In general, it represents the ratio between demand and supply in the real estate market at a given time. A percentage of +2.1% was used, which represents a period of one week that is added to the vacancy loss considered valid for each property, taking into account both the type of building and the size of the city. As a result, the value of the properties appraised through income approach decreased overall with RON 1,761,202.

The capitalization rate (yield) expresses the ratio between the expected net operating income for one year and the total value of the property obtained from the transaction. This does not express the performance of the investment, but it can be an indicator of the real estate market performance at a given time. The capitalization rate may fluctuate depending on the income forecast and the change in the value of the property. For the sensitivity analysis a percentage of +0.25% of the capitalization rate identified by the market was added, resulting in a potential negative variation in rental values. The overall effect led to a decrease of RON 2,161,705 in the fair value of the buildings.

(all amounts are expressed in RON, unless otherwise specified)

In order to provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its non-financial assets into the three levels prescribed under the international financial reporting standards. An explanation of each level is provided in note 3.21.

Details of the Company's freehold Land and Buildings according to the last valuation reports prepared in 2025 and information about the fair value hierarchy as at the end of the reporting period are as follows:

31 December 2025	**Level 1**	**Level 2**	**Level 3**
Land and buildings	-	-	250,290,844

31 December 2024	**Level 1**	**Level 2**	**Level 3**
Land and buildings	-	-	222,570,259

The amount of RON 222,570,259 refers to the previous valuation report which was prepared in 2022.

If the lands and buildings of the Company had been valued at historical cost net of cumulated depreciation, their book value would have been the one presented below:

	December 31, 2025	**December 31, 2024**
Land	51,074,011	52,421,011
Buildings	89,582,621	13,860,633
TOTAL	**140,656,632**	**66,281,644**

5.3. Intangibles

Intangibles are amortised on a straight-line basis, over a period of 3 years and include software licenses, concessions, patents and other intangibles, website development and development of internal IT applications.

During 2025, the costs incurred with the website development that met the capitalization criteria of IAS 38 Intangible assets were capitalised as a new intangible asset, in the amount of RON 533,811, which is amortized over a period of 3 years.

The capitalized cost for other intangible assets, such as development of internal IT applications, along with other accounting applications, was recognized during the year, in the amount of RON 7,198,134. Also, the capitalised costs during the year for research and development projects for medical purposes are in a total amount of RON 3,676,492.

6. INVENTORIES

	31 December 2025	**31 December 2024**
Consumable	17,308,445	15,172,807
Materials in the form of inventory items	235,297	148,068
TOTAL	**17,543,742**	**15,320,875**

During 2025 and 2024 no amount was recognized as an expense for inventories carried at net realisable value.

7.1. TRADE RECEIVABLES

	31 December 2025	**31 December 2024**
Trade Receivables	144,738,814	128,557,860
Allowance for doubtful receivables	(34,085,853)	(31,394,866)
TOTAL	**110,652,961**	**97,162,994**

Credit risk for the Company primarily relates to trade receivables in the ordinary course of business. Customers' compliance with agreed credit terms is monitored regularly and closely. Where payments are delayed by customers, steps are taken to restrict access to services or contracts are terminated.

Certain customers, which are public or quasi-public institutions, or subsidiaries of the Company, may have longer payment terms and services may continue to be delivered when amounts are overdue, based on management's assessment of a lower credit risk. The average receivable days for the services offered is 90 days. There is no interest on commercial receivables within the first 90 days from the date of issue of the invoice, which also represents the average contractual term.

(all amounts are expressed in RON, unless otherwise specified)

The carrying amount of financial assets, measured at amortised cost, represents the maximum credit exposure. There are no credit enhancements or collateral held that would offset such amounts. As the customer base of the Company is very diverse, there are generally no large concentrations of credit risk.

Based on the assessed credit risk of the customers, the Company`s trade receivables are split between individually assessed and collectively assessed.

31 December, 2025	**Individually assessed**	**Collectively assessed**	**Total**
Trade receivables	86,136,248	58,602,566	144,738,814
Allowance for doubtful receivables	(7,425,082)	(26,660,771)	(34,085,853)
TOTAL	**78,711,166**	**31,941,795**	**110,652,961**

31 December, 2024	**Individually assessed**	**Collectively assessed**	**Total**
Trade receivables	76,665,601	51,892,259	128,557,860
Allowance for doubtful receivables	(9,690,762)	(21,704,103)	(31,394,865)
TOTAL	**66,974,839**	**30,188,156**	**97,162,994**

Individually assessed items include mainly trade receivables from National Health Insurance House and from Group companies. For National Health Insurance House, an allowance for expected credit losses of RON 7,425,082 was recognised in the financial statements in the previous years, as a result of court proceedings initiated at that time. As of 31 December 2025 and 31 December 2024, the amounts, both the trade receivables and the 100% allowance are still in closing balance.

The Company applies the simplified approach for providing for expected credit losses (ECL) prescribed by IFRS 9, which requires the use of the lifetime expected loss provision for all trade receivables which are collectively analysed. A provision matrix was prepared based on historical observed default rates over the expected life of trade receivables resulting in an ECL reflecting the predictive risk by type of customer.

Changes in economic conditions were also considered as part of forward-looking information. Estimating adjustments for expected credit losses involves forecasting future macroeconomic conditions. The incorporation of forward-looking elements reflects the Company's expectations. GDP (Gross Domestic Product) growth, unemployment rate and inflation rate were used as macroeconomic factors considered statistically relevant for the analysed trade receivables, with average forecasts for 2026-2027 included in the model.

The allowance for expected credit losses collectively assessed based on the Company's provision matrix was determined as follows:

31 December, 2025	**Current**	**<30 days**	**< 90 days**	**< 180 days**	**< 365 days**	**> 365 days**	**Total**
Expected credit loss rate	0.40%	4.56%	9.97%	24.16%	42.17%	86.25%	
Trade receivables	25,522,157	614,496	591,429	665,907	1,375,761	29,832,816	58,602,566
Allowance for doubtful receivables	(102,958)	(28,014)	(58,939)	(160,877)	(580,226)	(25,729,757)	(26,660,771)
TOTAL	**25,419,199**	**586,482**	**532,490**	**505,030**	**795,535**	**4,103,059**	**31,941,795**

31 December, 2024	**Current**	**<30 days**	**< 90 days**	**< 180 days**	**< 365 days**	**> 365 days**	**Total**
Expected credit loss rate	0.33%	6.69%	12.28%	23.14%	35.07%	84.07%	
Trade receivables	22,763,740	545,301	1,040,811	1,392,176	1,720,957	24,429,274	51,892,259
Allowance for doubtful receivables	(75,771)	(36,459)	(127,776)	(322,093)	(603,475)	(20,538,530)	(21,704,103)
TOTAL	**22,687,969**	**508,842**	**913,034**	**1,070,084**	**1,117,482**	**3,890,744**	**30,188,156**

(all amounts are expressed in RON, unless otherwise specified)

For Trade receivables in ">365 days" category, the expected credit loss rate of 86.25% represents an average of expected credit loss rates, depending on the aging of the receivables. Expected credit loss rates range from 55.5% for receivables from 2024 to 2020. For all receivables older than 2020, an allowance for doubtful receivables was computed for the entire amount as they have a default rate of 100% and are no longer included in the collection process.

A reconciliation of the allowance for expected credit losses is presented as follows:

	2025	2024
As at 1 January	**31,394,865**	**28,262,015**
Recognised in income statement	2,690,988	3,132,850
As at 31 December	**34,085,853**	**31,394,865**

The Company's total Trade receivables from related parties are in the amount of RON 60,647,197 (31 December 2024: RON 48,667,306) and were presented on Note 23.

7.2. OTHER ASSETS

	31 December 2025	31 December 2024
Advances paid	11,217,916	7,002,229
Other receivables	16,447,950	16,295,842
Other assets	3,212,189	1,837,545
TOTAL	**30,878,055**	**25,135,616**

As at 31 December 2025, other assets amounted to RON 30,878,055 compared to RON 25,135,616 as at 31 December 2024, representing an increase of 5,742,439 year-on-year. The movement is mainly attributable to an increase in advances paid of RON 4,215,687, reflecting higher prepayments and advances granted in the normal course of operations.

8. CASH AND CASH EQUIVALENTS

	31 December 2025	31 December 2024
Cash in bank	17,274,328	13,992,862
Cash in hand	863,759	620,548
Cash equivalents	514,524	722,360
TOTAL	**18,652,611**	**15,335,770**

For the carrying value of the current accounts that are pledged in order to secure the borrowings please refer to Note 14.

9. PREPAYMENTS

As of December 31, 2025 the Company has prepayments in amount of RON 2,878,220 (RON 3,422,223 as of December 31, 2024). The prepayments balance as of December 31, 2025 consists mainly of deferred commissions for financing related to the Syndicated loan for undrawn facilities and amounts such as insurance policies for professionals and tangible assets.

10. TRADE AND OTHER PAYABLES

	31 December 2025	31 December 2024
Suppliers	192,556,694	173,416,999
Fixed assets suppliers	33,685,277	32,048,975
Contract liability	5,382,166	1,976,266
TOTAL	**231,624,137**	**207,442,240**

The balance of the suppliers consists of payables related to the acquisition of consumables, materials and commodities.
The fixed assets suppliers consists of payables related to the acquisition of medical equipment.
The Company's total Trade payables due to Group companies are in the amount of RON 119,536,877 (31 December 2024: RON 99,971,550) and were presented on Note 23.

(all amounts are expressed in RON, unless otherwise specified)

11. OTHER LIABILITIES

	31 December 2025	31 December 2024
Salary and related liabilities (incl. contributions)	12,771,404	9,796,385
Other liabilities	16,575,446	10,552,003
TOTAL	**29,346,850**	**20,348,388**

The increase from RON 10,552,388 as of December 31, 2024 to RON 16,575,446 in current year is mainly driven by the higher balance of deferred income account, indicating that the Company has received larger amounts in advance from customers, which will be recognized as revenue in future periods.

12. PROVISIONS

	December 31, 2025	December 31, 2024
Carrying amount at start of year	**4,769,204**	**2,790,424**
Charged/(credited) to profit or loss		
- additional provisions recognised	-	2,795,566
- unused amounts reversed	(994,035)	-
Amounts used during the year	(724,288)	(816,786)
As at 31st December	**3,050,881**	**4,769,204**

Provisions booked as of 31 December 2025 and 31 December 2024 refer to provisions related to untaken holidays, which covers 100% from total balance. The total balanced has decreased with 1,718,323 RON compared with prior year.

13. LEASE

Leasing facilities refer to buildings, vehicles and medical equipment.

Right-of-use asset	Buildings	Vehicles	Equipment	Total
Cost				
Value at 31 December 2024	**144,918,989**	**15,284,402**	**24,057,160**	**184,260,550**
Additions	19,132,873	7,321,693	481,509	**26,936,076**
Disposals	(3,797,941)	(142,731)	(14,650,244)	**(18,590,915)**
Value at 31 December 2025	**160,253,921**	**22,463,365**	**9,888,426**	**192,605,711**
Accumulated depreciation				
Value at 31 December 2024	**105,220,708**	**12,447,756**	**17,748,074**	**135,416,538**
Charge for the year	24,080,997	2,235,497	961,561	**27,278,055**
Disposals	(3,508,691)	(124,918)	(11,939,073)	**(15,572,682)**
Value at 31 December 2025	**125,793,014**	**14,558,335**	**6,770,562**	**147,121,911**
Carrying amount				
Value at 31 December 2024	**39,698,281**	**2,836,646**	**6,309,086**	**48,844,012**
Value at 31 December 2025	**34,460,907**	**7,905,030**	**3,117,864**	**45,483,799**

	December 31, 2025	December 31, 2024
Non-current - Lease Liabilities	28,898,363	27,066,810
Current portion - Lease Liabilities	19,561,979	24,096,539
TOTAL	**48,460,342**	**51,163,349**

(all amounts are expressed in RON, unless otherwise specified)

Amounts recognised in P&L	**December 31, 2025**	**December 31, 2024**
Depreciation charge of right-of-use assets	27,278,055	28,874,133
Interest expense on lease liabilities (included in finance cost)	2,472,326	2,749,951
PL (Loss) / Gain from contracts terminated earlier	(24,561)	6,338
Foreign exchange loss in relation with Lease Liabilities	1,170,164	16,849
Income tax expense in relation with Lease Liabilities	-	-
Expense relating to short-term leases (included in rent expenses)	225,683	80,679
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in rent expenses)	276,108	267,454
Other categories	5,372,417	3,361,785

The total cash outflow for leases amount to RON 32,572,737 (2024: RON 32,323,561) for contracts that fall under IFRS 16 (which refer to rental of buildings, vehicles and equipment), out of which RON 30,100,411 (2024: RON 29,573,610) refer to payments of principal and RON 2,472,326 (2024: RON 2,749,951) refer to payments of interest. For leases relating to short-term contracts or low value assets, the total cash outflow amount to RON 501,791 (2024: RON 348,133).

Extension and termination options
Extension and termination options are only included in the lease term when the Company has the right to unilaterally extend/terminate and judges that this right is reasonably certain to be exercised. For some of the Company's lease agreements with extension options, these criteria are considered met and the extension option is therefore included in the lease term, in cases in which the prolongation for the contract is automated for one additional year.
Some of the real estate leases within the Company contain termination options with a purpose to achieve operational flexibility. During 2025, management is not reasonably certain to exercise the termination options embedded in IFRS 16 lease contracts.

14. 1 NET FINANCIAL DEBT – SYNDICATED LOAN

	31 December 2025	**31 December 2024**
Overdraft	10,197,000	9,948,200
Current portion of long-term loans	32,718,945	58,861,845
Non-current portion of long-term loans	665,239,788	582,827,132
TOTAL	**708,155,733**	**651,637,177**

	31 December 2025	**31 December 2024**
Cash and cash equivalents	18,652,611	15,335,770
Interest bearing loans and borrowings (including overdraft)	708,155,733	651,637,177
Lease liabilities	48,460,342	51,163,349
Net debt	**737,963,464**	**687,464,756**
Current debt		
Overdraft	10,197,000	9,948,200
Current portion of lease liability	19,561,979	24,096,539
Current portion of interest bearing loans and borrowings	32,718,945	58,861,845
Long Term Debt		
Lease liability	28,898,363	27,066,810
Long term interest bearing loans and borrowings	665,239,788	582,827,132

(all amounts are expressed in RON, unless otherwise specified)

Increases in credit facility during 2025

On 25th of March 2025, the Group increased its existing facilities by EUR 50 million and by an additional "Accordion Facility" of up to EUR 25 million, by signing an addendum to the existing syndicated loan agreement. The syndicate of banks which signed the increase in syndicated loan consists of Banca Comercială Română, as Coordinating Mandated Lead Arranger, Documentation Agent, Facility Agent, Security Agent and Bookrunner, Raiffeisen Bank, BRD Groupe Société Générale, Banca Transilvania and ING Bank, as Original lenders.

The Company has contracted three credit facilities from its financing banks, namely Facility A, Facility B, and Facility C. Facility A and Facility C are designated to finance capital expenditures as well as mergers and acquisitions, while Facility B is contracted to support the Company's working capital needs. Facility A represents the initial facility granted, which has been fully utilized with no remaining available limit, whereas Facility C remains active and continues to provide available limit for future capital investments and acquisitions.

The balance of the syndicated loan as of December 31, 2025 is RON 696,122,052 (RON 637,528,177 as of December 31, 2024) and is summarised in the table below:

Credit Facility	Interest Rate	Currency	Year of Maturity	Total Loans as of December 31st, 2025	Total Loans as of December 31st, 2024
Facility A	EURIBOR 6M + relevant margin	EUR	2031	617,382,348	475,013,441
Facility B	EURIBOR 6M + relevant margin	EUR	2027	43,003,747	24,545,134
Facility C	EURIBOR 6M + relevant margin	EUR	2031	35,735,957	127,170,050
Facility D	EURIBOR 6M + relevant margin	EUR	2031	-	10,799,552
Totals				**696,122,052**	**637,528,177**

Facility B includes a roll-over option.
Facility D was transferred to Facility A upon signing the addendum to the existing syndicated loan agreement.
As at December 31, 2025 none of the Group members was in breach of any applicable term of the financing facilities.

14.2 NET FINANCIAL DEBT – OUTSIDE SYNDICATED LOAN

In addition to the syndicated loan agreement, the Company has also contracted an overdraft facility from Garanti Bank S.A; the amount drawn on December 31, 2025, is of RON 10,197,000.

The amounts presented above in the tables as total loans represent the principal portion of the loans, while the remaining amounts represent accrued interest included in the balance.

14.3 GUARANTEES

Loan Type	Property, plant & Equipment	Current accounts	Anuual contractual value	Shares
Syndicated	292,872,504	13,563,135	66,090,275	non - monetary
Totals	**292,872,504**	**13,563,135**	**66,090,275**	**non-monetary**

A reconciliation of cash and non-cash movements of loans payable, lease liabilities is presented in the following table:

	Liabilities from financing activities			
	Borrowings	**Leases**	**Overdraft**	**Total**
Financial Debt as at 31 December 2024	**641,688,977**	**51,163,349**	**9,948,200**	**702,800,526**
Cash movements				
Cash flows net related to principal	40,643,374	(30,100,411)	-	**10,542,963**
Payments of interest	(30,688,898)	(2,472,326)	-	**(33,161,224)**
Non-cash movements				
New leases	-	26,227,355	-	**26,227,355**
Foreign exchange adjustments	16,987,420	1,170,164	404,506	**18,562,090**
Other changes (non-cash movements)	29,327,860	2,472,210	-	**31,800,070**
Financial Debt as at 31 December 2025	**697,958,733**	**48,460,341**	**10,352,706**	**756,771,780**

*Other changes (non-cash movement) contains the accrued interest expense.

(all amounts are expressed in RON, unless otherwise specified)

15. SHARE CAPITAL AND SHARE PREMIUM

The issued share capital in nominal terms consists of 531,481,968 ordinary shares as at 31 December 2025 (31 December 2024: 531,481,968) with a nominal value of RON 0.25 per share. The holders of ordinary shares are entitled to one vote per share in the shareholders' meetings of the Company, except for the treasury shares bought back by the Company as part of the share buy-back program. All shares rank equally and confer equal rights to the net assets of the Company, except for treasury shares.

	31 December 2025	31 December 2024
Share capital	132,870,492	132,870,492
Share premium	(308,155)	(308,155)
TOTAL	**132,562,337**	**132,562,337**

During 2025 the Company reacquired own equity instruments (treasury shares) in a total amount of RON 1,466,326 (2024: RON 1,078,836) and released no shares (2024: RON 0). No amount was recognised for the difference between the fair value and cost of own shares, since no change was made (compared with 2024, when the amount recognised was RON 308,155 and was included as an increase on the share premium account). The total number of shares held by the entity is 665,983 as of 31 December 2025 (427,042 as of 31 December 2024).

The remaining treasury shares in balance will be further used by the Company to transfer free of charge the shares to its employees under the share-based payment programme (please see Notes 3.17 and 3.20) or released to minority shareholders from subsidiaries in exchange for their shares.

16. RESERVES

The structure of the Company's reserves is presented below:

	December 31, 2025	December 31, 2024
Legal reserves (i)	8,456,933	8,456,932
Other reserves (ii)	29,491,129	27,895,073
Revaluation reserves (iii)	111,306,809	106,464,509
TOTAL	**149,254,871**	**142,816,514**
(i), (ii) General reserves and other reserves		
Balance at beginning of the year	**36,352,005**	**35,227,339**
Movements	1,596,057	1,124,666
Balance at the end of the year	**37,948,062**	**36,352,005**
(iii) Revaluation reserves		
Balance at beginning of the year	**106,464,509**	**106,464,509**
Decrease arising revaluation correction	-	-
Increase due to revaluation	5,764,642	-
Deferred tax related to revaluation	(922,342)	-
Balance at the end of the year	**111,306,809**	**106,464,509**

Other reserves have increased in 2025 with 1,596,057 RON (2024: RON 0) due to stock option plan.

The revaluation reserve arises on the revaluation of land and buildings. During 2025, the Company engaged an independent appraiser to determine the fair value for land and buildings as of 31 December 2025. The total revaluation difference that was recorded as a revaluation surplus in the statement of changes in equity is in the amount of RON 5,764,642. When revalued land or buildings are sold or otherwise disposed of, the portion of the properties revaluation reserve that relates to that asset, and that is effectively realized, is transferred directly to general reserves.

The effects of taxes on income, resulting from the revaluation of property, plant and equipment are recognized and disclosed in accordance with IAS 12 Income Taxes (please see Note 24).

Starting with 2025, the fair value of the share-based awards at the grant date is recognized as an employee benefit expense with a corresponding increase in equity within Other Reserves for share-based remuneration, in a total amount of RON 1,596,057.

(all amounts are expressed in RON, unless otherwise specified)

17. REVENUE FROM CONTRACTS WITH CUSTOMERS

Turnover for the 12 months period ended December 31, 2025 was 779,671,690 RON (12 months ended December 31, 2024: 716,937,391 RON) and consists of medical services revenues, including revenues from corporate prevention packages, as well as outpatient services, day and inpatient hospital services and laboratory services. Please see breakdown below.

Sales

Business Line	12 months 2025 Sales	% of Total Sales	12 months 2024 Sales	% of Total Sales	Variation 2025/2024
Clinics	219,242,234	28.1%	209,466,630	29.2%	4.7%
Corporate	217,296,227	27.9%	201,389,691	28.1%	7.9%
Hospitals	198,125,636	25.4%	173,208,866	24.2%	14.4%
Laboratories	144,447,747	18.5%	130,210,975	18.2%	10.9%
Overheads	559,846	0.1%	2,661,229	0.4%	-79.0%
TOTAL SALES	**779,671,690**	**100%**	**716,937,391**	**100%**	**9%**

Of the total sales in 2025, around 13% (12% in 2024) come from the treatment of patients insured through the Health Insurance House. The Company's revenues are generated in Romania. The entire amount included in contractual obligations at the beginning of the year (Note 10) was recorded as income in 2025.

18.1 OTHER OPERATING INCOME

	12 months 2025	12 months 2024
Other operating income	2,338,368	839,144
TOTAL	**2,338,368**	**839,144**

18.2 Dividend Income

During 2025, the Company has recorded dividends in amount of RON 24,943,785 from its subsidiaries, out of which the amount RON 4,459,492 was collected in cash until the end of the year and the amount RON 20,484,293 has been compensated with loans received from related parties (Note 23).

19. THIRD PARTY EXPENSES

	12 months 2025	12 months 2024
Medical services	254,052,249	229,498,462
Marketing & Advertising	583,891	52,273
Cleaning and laundry	7,688,679	6,472,830
Consulting services	5,432,336	5,017,051
Legal services	5,518,948	4,308,166
Others	7,738,515	8,130,143
Security and safety	2,203,191	1,873,987
Waste collection and sanitation	2,323,145	2,223,188
Storage and archiving services	471,466	511,259
IT services	465,614	530,714
Logistics and telecommunications services	136,960	167,582
Accreditations and authorizations	497,532	499,121
TOTAL	**287,112,526**	**259,284,776**

Around 88% of total Third party expenses incurred during 2025 and 2024 refer to collaboration contracts concluded with doctors. These contracts primarily cover medical services provided by independent practitioners (including consultations, investigations and surgical procedures), who operate under collaboration arrangements rather than employment agreements. The related costs are largely variable in nature and directly linked to the volume and complexity of medical services delivered, reflecting the Company's operational model and its flexibility in managing medical staff capacity.

The amounts included in the "Others" category represent Third party expenses that cannot be further itemised and they represent 3% out of the total Third party expenses (2024: around 3%).

(all amounts are expressed in RON, unless otherwise specified)

20. OTHER OPERATING EXPENSES

	12 months 2025	12 months 2024
Utilities	9,119,640	8,797,143
Repairs maintenance	6,752,937	6,245,405
Rent	5,874,208	3,709,918
Insurance premiums	1,722,572	1,982,223
Promotion expense	18,611,347	15,686,744
Communications	2,406,008	2,379,998
Other administration and operating expenses	8,523,103	5,921,260
TOTAL	**53,009,815**	**44,722,691**

On the Other administration and operating expenses it is included an amount of RON 7,186,658 (2024: RON 2,949,239) related mostly to expensed amounts related to guarantees called by suppliers and recognised as an expense.

21. MANAGEMENT AND STAFF PERSONNEL EXPENSES

The structure of the Company's personnel is described below:

	12 months 2025	12 months 2024
Management	40	43
Staff	1,989	1,949
Total	**2,029**	**1,992**

The short-term benefits (salary expenses) paid by the Company, by type of personnel are described below:

	12 months 2025	12 months 2024
Management	23,048,494	26,905,665
Staff	208,271,025	184,165,541
Total	**231,319,520**	**211,071,206**

For key management personnel expenses, please refer to Note 23 (b).

Stock Option Plan

During the 10 October 2024 OGSM, the Company's shareholders approved the Remuneration Policy, which establishes the framework for a long-term incentive plan for the executive management based on the grant of shares free of charge. The plan is implemented by the Board of Directors, with the support of an independent Big4 consultant with relevant expertise in this area, who has benchmarked similar companies in Romania and the region, and is designed to align management's interests with those of shareholders by rewarding long-term performance.
Under the plan, the executive managers, including the CEO, are entitled to receive a number of shares subject to the fulfillment of service and performance-related vesting conditions. The vesting period is four years, with vesting occurring both annually, in equal tranches of 25%, and cumulatively at the end of the full vesting period. The plan is based on key long-term performance indicators reflecting the collective contribution of executive management.

At the same time, the executive management identified key people within the organization, who, through their strategic role and contribution to the Group's development, were included, starting with the financial year 2025, in a dedicated SOP program. This program mirrors the principles and structure of the SOP applicable to the executive management, with the objective of boosting performance and strengthening retention among critical resources for the organization. In their case, the key performance indicators have been established and approved by the Executive Board, in line with the Group's strategic objectives and the specific responsibilities of each role. The structure of these indicators is aligned with that used for the executive management, aiming to ensure a coherent and fair framework for evaluating performance within the organization.

The total number of shares calculated to be granted under the 2025 – 2029 Stock Option Plans is of up to 2,004,763 shares, which represents 0.3772% of the share capital of the parent company and represent the total outstanding number of instruments at the end of the year. During the reporting period, there were no instruments exercised, expired, or forfeited. The shares will be allocated to the SOP Beneficiaries (the executive management and the key people designated by the executive management), subject to the fulfillment of service and performance-related vesting conditions over the four-year vesting period.

The share-based payment expense is recognized at the fair value of the shares at the grant date and amounts to RON 1,596,057 for the year ended 2025 (2024: 0 RON). This represents an accrual based on the estimated number of awards expected to vest and the portion of the vesting period elapsed to date. This amount does not represent a confirmed entitlement for the employees and executives participating in the program. Final vesting is conditional upon both continued employment and the actual achievement of performance conditions assessed at the end of the performance period. Accordingly, the amount ultimately recognized may differ from the accrual recorded in the current year.

(all amounts are expressed in RON, unless otherwise specified)

The Company has applied a Monte Carlo simulation model to determine the fair value of the share-based payment plan, through explicit simulations of the Company's share price over a four-year period. The Monte Carlo simulation incorporates parameters calibrated based on historical data analysed from the previous five years.

Valuation technique	
Method of analysis	Monte Carlo simulation
Number of simulations	50,000
Significant input data	
Grant Date	30 April 2025
Share price at Grant Date	6.22
Weighted average share price	7.06
Weighted average exercise price	not applicable
Expected life of the plan	4 years
Risk-free interest rate	4.81%
Expected dividend yield (based on past performance)	0%
Total expense recorded	
for the period 30 April 2025 - 31 December 2025	1,596,057

Please also refer to Note 23b) on key management personnel compensation.

22. NET FINANCIAL RESULT

	12 months 2025	**12 months 2024**
Other financial expenses	(1,270)	-
Loss from foreign exchange rate impact	(17,469,966)	(405,508)
Finance cost	(36,049,590)	(44,090,127)
Bank commissions	(2,065,184)	(1,722,819)
Finance income	12,899,548	13,005,328
FINANCIAL NET LOSS	**(42,686,462)**	**(33,213,126)**

23. RELATED PARTIES

(a) Main shareholders

As of December 31, 2025, the shareholders' structure of Med Life S.A. is as presented below:

	Number of shares	**%**
Cristescu Mihaela Gabriela	74,642,760	14.04%
NN privately administered Pensions Fund	70,356,940	13.24%
Marcu Mihail	66,944,828	12.60%
Marcu Nicolae	51,981,600	9.78%
AZT Viitorul Tau privately administered Pensions Fund (Allianz Tiriac)	46,219,200	8.70%
Metropolitan Life privately administered Pensions Fund	41,860,925	7.88%
International Finance Corporation (IFC)	24,110,400	4.54%
Other Legal Persons	132,295,686	24.89%
Med Life S.A.	665,983	0.13%
Other Individuals	22,403,646	4.22%
TOTAL	**531,481,968**	**100%**

(all amounts are expressed in RON, unless otherwise specified)

As of December 31, 2024, the shareholders' structure of Med Life S.A. was as presented below:

	Number of shares	%
Cristescu Mihaela Gabriela	74,642,760	14.04%
Marcu Mihail	72,944,828	13.72%
NN privately administered Pensions Fund	70,356,940	13.24%
Marcu Nicolae	54,631,600	10.28%
AZT Viitorul Tau privately administered Pensions Fund (Allianz Tiriac)	46,219,200	8.70%
Metropolitan Life privately administered Pensions Fund	34,763,991	6.54%
International Finance Corporation (IFC)	24,110,400	4.54%
Other Legal persons	125,066,423	23.53%
Med Life S.A.	427,042	0.08%
Other Individuals	28,318,784	5.33%
TOTAL	**531,481,968**	**100%**

(b) Executive Committee and Board of Directors' compensation – key management personnel expenses

Compensations granted to the members of the Executive Committee, which are considered key management personnel, were as follows:

	12 months 2025	12 months 2024
Executive Committee	7,560,472	8,179,674
out of which:		
Short term employee benefits	**6,528,552**	**8,179,674**
Remuneration	5,041,228	7,959,806
Benefits	226,485	219,868
Short-term incentive	1,260,839	-
Share based payment	**1,031,920**	**-**
Long-term incentive (share based payments)	1,031,920	-

Executive Committee compensation includes the payments made to members of the top management under their mandate contracts concluded with the Company for a period of four years, as well as the accruals for the short-term incentive (STI) and long-term incentive (LTI) components, calculated in accordance with the provisions of the Company's Remuneration Policy.

Stock Awards Subject to Performance Conditions
Share based payment arrangements
The Company operates a long term incentive plan ("LTIP") under which selected employees and executives are granted equity settled stock awards.
During the year, the Company granted stock awards (please refer to note 21 for the total number of shares granted) that vest subject to the achievement of specified performance conditions.

Performance conditions
The stock awards vest over a four-year performance period, with vesting occurring both annually, in equal tranches of 25%, and cumulatively at the end of the full vesting period, and are contingent upon continued employment and the achievement of a series of market and non-market performance conditions, approved annually by the Board's Remuneration Committee.

Recognition in the current year
As the LTIP was introduced during the current year, the share based payment charge recognised represents an accrual based on the estimated number of awards expected to vest and the portion of the vesting period elapsed to date. This amount does not represent a confirmed entitlement for the employees and executives participating in the programme.
Final vesting is dependent on both continued employment and the actual achievement of performance conditions evaluated at the end of the performance period, and the amount ultimately recognised may differ from the accrual recorded in the current year.
Please refer to Note 21) for more details.

The Executive Committee of the Company comprises the following members:
- Mr. Mihail Marcu as Chief Executive Officer and Member of the Executive Committee;
- Mr. Nicolae Marcu as Director of Health and Operations and Member of the Executive Committee;
- Mr. Dorin Preda as Deputy Chief Executive Officer and Member of the Executive Committee;
- Ms. Alina -Oana Irinoiu-Titu as Chief Financial Officer and Member of the Executive Committee.

Compensations granted to the members of the Board of Directors, which are considered key management personnel, were as follows:

(all amounts are expressed in RON, unless otherwise specified)

	12 months 2025	12 months 2024
Board of Directors	**4,157,742**	**4,099,181**
out of which:		
Short term employee benefits	**4,157,742**	**4,099,181**
Indemnity	3,916,295	3,860,308
Benefits	241,447	238,873

In line with the Remuneration Policy, the Directors do not benefit from a variable remuneration component.

Med Life S.A. Board of Directors consists of 7 members under administration agreements concluded with the Company, and approved by the General Shareholders Meeting.
The members' mandates are for a period of 4 years, starting with 22 December 2024, according to the Ordinary General Shareholders Meeting no. 1 / 21.11.2024.

The composition of Medlife S.A. Board of Directors is:

Mihail Marcu – Executive Director – Chairman of the BoD
Nicolae Marcu – Executive Director – Member of the BoD
Dorin Preda – Executive Director – Member of the BoD
Ana Maria Mihaescu – Non-executive Director – Member of the BoD
Dimitrie Pelinescu-Onciul – Non-executive Director – Member of the BoD
Voicu Cheta – Non-executive Director – Member of the BoD
Ovidiu Fer – Non-executive Director – Member of the BoD

During the year 2025 there have been no amendments to the composition of Medlife S.A. Board of Directors.

(c) Balances and transactions with subsidiaries and other related parties
Balance of receivables and payables from/to subsidiaries and other related parties:
Trade Receivables/Trade Payables

The Company's trade relations with its subsidiaries represent rendering of medical services, rental of medical facilities and acquisition of materials and commodities.

The Company's total Trade receivables from related parties are in the amount of RON 60,647,197 (31 December 2024: RON 48,667,306) and are part of Trade receivables on the statement of financial position.
The Company's total Trade payables due to related parties are in the amount of RON 119,536,877 (31 December 2024: RON 99,971,550) and are part of Trade and other payables on the statement of financial position.

(all amounts are expressed in RON, unless otherwise specified)

	Receivables from		Payables to	
	December 31, 2025	**December 31, 2024**	**December 31, 2025**	**December 31, 2024**
Centrul Medical Panduri S.A.	2,093,392	1,374,044	11,259,472	8,570,418
Almina Trading S.A.	577,574	1,940,515	169,164	309,784
Anima Speciality Medical Services S.R.L.	4,245,492	4,730,841	3,725,659	9,540,139
Pharmalife Med S.R.L.	6,766	5,064	1,569,704	991,819
Policlinica de Diagnostic Rapid S.A.	9,608,941	11,702,059	29,246,183	21,161,684
Histo S.R.L.	1,233	1,233	675,785	564,607
Genesys Medical S.R.L.	4,604,338	806,210	13,847,096	10,122,262
Policlinica de Diagnostic Rapid Medis S.R.L.	140,270	1,033,888	1,892,242	2,868,592
Biotest Med S.R.L.	4,754,887	3,072,909	12,455,057	10,329,946
Vital Test S.R.L.	-	-	1,223,199	1,223,199
Centrul Medical Sama S.A.	4,735,252	3,380,419	9,904,443	7,709,159
Ultratest Craiova S.A.	38,109	38,109	-	-
Bahtco Invest S.R.L.	-	-	1,453,216	827,604
Medapt S.R.L.	-	-	832,033	832,033
SC Rur Medical SRL	244,108	244,108	1,134,616	1,134,616
Stem Cells Bank S.A.	6,417,032	5,240,775	-	-
Dent Estet Clinic S.A.	106,618	109,149	287,799	159,368
Medlife Ocupational S.R.L.	55,990	55,990	-	-
Solomed Clinic S.A.	3,638,653	2,809,595	4,207,706	3,050,794
Clinica Polisano S.R.L.	7,329,737	5,493,146	6,779,106	4,863,956
Prima Medical S.R.L.	46,639	46,639	210,197	133,502
Aspen Laborator Dentar S.R.L.	2,051	1,300	-	-
Solomed Plus S.R.L.	2,875	2,875	1,734,424	1,481,712
Valdi Medica S.A.	3,251,414	2,062,941	616,799	455,168
Sfatul Medicului S.R.L.	196,227	188,067	41,870	105,351
Spital Lotus S.R.L.	1,244,288	1,199,190	868,863	510,167
Centrul Medical Micromedica S.R.L.	70,053	678,325	1,568,491	1,702,419
Onco Team Diagnostic S.R.L.	75,922	26,797	6,294,101	7,270,485
Badea Medical S.R.L.	4,581	-	199,480	32,614
Pharmachem Distributie S.R.L.	8,216	-	3,940,354	2,955,041
Dent Estet Ploiesti S.R.L.	4,571	-	-	-
Expert Med Centrul Medical Irina S.R.L.	-	-	61,055	14,036
Krondent S.A.	1,298	-	-	-
Medica S.A.	-	-	-	66,154
Stomestet S.A.	-	-	75,391	36,193
Costea Digital Dental S.R.L.	2,183	-	-	-
MNT Heathcare Europe S.R.L.	461,521	621,801	4,500	4,500
SC Pro Life Clinics SRL	-	-	38,439	15,946
Onco Card S.R.L.	-	-	168,416	96,958
Tomorad Expert S.R.L	-	-	8,899	6,081
Sweat Concept One S.A.	570	-	-	-
Alinora Optimex S.R.L.	-	-	460,501	460,501
Sanopass S.R.L.	23,236	-	5,440	49,403
Medici's S.R.L.	2,485,142	1,379,732	952,062	-
M-Profilaxis S.R.L.	1,188,225	-	-	-
Muntenia Medical Competences S.A.	-	-	21,968	36,253
Centrul de Diagnostic si Tratament Provita S.A	-	-	188,475	153,318
Laborator Cuza Voda S.R.L.	860,232	417,503	-	-
Provita Pain Clinic S.A.	-	-	8,145	2,866
Dent Estet Genesys S.R.L.	1,542	-	-	-
Green Dental Clinic S.R.L.	407	602	-	-
Micromedica Roman S.R.L.	-	-	67,790	6,560
Euromedica Hospital S.A.	165,850	-	17,457	-
Centrul Medical Antares S.R.L.	8,217	-	63,491	-
Personal Genetics S.R.L.	1,850,010	-	874,995	-
Policlinica Union S.R.L.	83,577	-	77,449	-
Routine Med S.A.	-	-	76,960	-
Related parties*	9,958	3,482	228,385	116,345
Total	**60,647,197**	**48,667,306**	**119,536,877**	**99,971,550**

**Related parties refer to shareholders and other companies owned directly by the shareholders, not a part of Medlife Group*

Other liabilities from related parties

On the Other liabilities account it is included the amount of RON 1,761,907 (31 December 2024: 1,761,907) in relation to Policlinica Diagnostic Rapid, subsidiary of Med Life S.A.

Other receivables from related parties

On the Other assets it is included an intragroup amount of RON 13,720,571, mainly representing dividends distributed by subsidiaries and not yet collected.

(all amounts are expressed in RON, unless otherwise specified)

Loans granted to relates parties – outstanding balances

	Outstanding balance of:			
	Loans granted to:		Interest receivable from:	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Valdi Medica S.R.L.	-	-	325,798	375,798
Bahtco Invest S.R.L.	44,888,299	46,478,017	17,100,262	13,983,200
MedLife Ocupational S.R.L.	-	188,531	1,028	266,881
Stem Cells Bank S.A.	30,816,936	24,789,936	7,322,701	4,969,747
Clinica Polisano S.R.L.	4,577,171	7,314,977	9,201,427	8,686,869
Personal Genetics S.R.L.	1,827,901	683,939	-	-
Anima Speciality Medical Services S.R.L.	1,353,605	10,353,605	3,765,190	3,398,801
Sfatul Medicului S.A.	4,310,500	4,210,500	1,380,479	1,008,025
Pharmalife Med S.R.L.	8,439,358	8,439,358	3,215,333	2,484,764
RMC Medlife Holding Kft.	-	4,606,017	145,416	159,063
Routine Med S.A.	1,000,000	-	83,182	-
All Clinic S.R.L.	406,600	-	771	-
Badea Medical S.R.L.	867,860	867,860	229,879	154,808
MNT Healthcare Europe S.R.L	5,790,384	5,790,384	606,044	370,661
Sanopass S.A.	4,326,101	4,326,101	1,219,009	844,801
Solomed Clinic S.A.	-	-	-	101,923
Sweat Concept One S.R.L.	4,786,000	22,883,930	781,721	3,642,107
Centrul de Diagnostic si Tratament Provita S.A.	36,544,816	13,890,550	3,208,533	1,104,800
Medicis S.A.	10,378,000	1,988,000	549,445	12,833
Pharmachem Distributie S.A.	7,914,243	7,914,243		
Policlinica de Diagnostic Rapid S.A.	182	12,420	-	-
Total	**168,227,956**	**164,738,368**	**49,136,218**	**41,565,081**

The decrease in loan granted to Sweat Concept by Med Life S.A. as of 31 December 2025 as compared to 31 December 2024 is a result of the conversion of loan in share capital by increasing the participation with 14.95% (please see note 4.2).

The balances of the loans granted to the related parties also include the amount of RON 15,308,716 (2024: RON 14,722,878), values that are found in the statement of financial position on the line of Other financial assets.
Total interest income recognized in the period was in amount of RON 11,775,277 (RON 12,760,406 as of December 31, 2024).
Total interest expense recognized in the period was in amount of RON 1,542,358 (RON 978,475 as of December 31, 2024).

The management has calculated the impact of accounting for amortized cost and concluded that the ECL impact is not material.
No collateral is provided for loan contracts, for the amounts granted to related parties and the interest rates range between 4% and 5% for EUR and between 8% and 9% for RON.

Loans received from related parties - outstanding balances

	Outstanding balance of:			
	Loans received from:		Interest payable to:	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Policlinica de Diagnostic Rapid Medis S.R.L.	-	-	39,160	39,160
Policlinica de Diagnostic Rapid S.A.	1,960,373	-	58,507	1,624
Onco Card S.R.L.	4,000,000	-	259,888	-
Med Life Broker de Asigurare si Reasigurare S.R.L.	-	659,000	-	105,066
Prima Medical S.R.L.	800,134	1,700,000	287,061	154,892
Almina Trading S.A.	3,457,641	457,637	1,068,000	754,581
Genesys Medical Clinic S.R.L.	6,731,769	6,731,769	1,814,472	1,232,178
Spital Lotus S.R.L.	659,725	359,725	879,347	624,373
Med Life Ocupational S.R.L.	1,094,000	-	22,348	-
Centrul Medical Micromedica SRL	-	-	-	-
Policlinica Union S.R.L.	-	1,500,000	119,441	4,977
Stomestet S.A.	1,000,000	1,000,000	95,273	8,769
Solomed Clinic S.A.	3,000,000	3,000,000	157,580	-
Biotest Med S.R.L.	-	-	2,883	-
MNT Asset Management S.R.L.	-	-	4,345	-
Valdi Medica S.R.L.	-	17,820	-	-
Total	**22,703,643**	**15,425,951**	**4,808,305**	**2,925,620**

No collateral is provided for loan contracts, for the amounts received from related parties and the interest rates range between 4% and 5% for EUR and between 8% and 9% for RON.

(all amounts are expressed in RON, unless otherwise specified)

Loans granted to related parties - movements

	Movement in:			
	Borrowings granted		Reimbursments received	
	2025	2024	2025	2024
Valdi Medica S.R.L.	-	8,192,976	50,000	10,080,024
Bahtco Invest S.A.	10,473,975	9,415,967	12,619,031	5,939,642
MedLife Ocupational S.R.L.		-	467,608	125,000
Stem Cells Bank S.A.	6,127,000	4,530,350	100,000	30,000
Clinica Polisano S.R.L.	1,500,000	20,850	4,216,956	14,416,118
PERSONAL GENETICS SRL	17,105	-	-	1,501,559
ANIMA SPECIALITY MEDICAL SERVICES SRL	-	-	9,000,000	-
Sfatul Medicului S.R.L.	100,000	-	-	-
Pharmalife Med S.R.L.	690,000	733,270	690,000	733,270
RMC Medlife Holding Kft.	-	3,828,908	-	317,303
ROUTINE MED S.A.	2,000,000	-	1,000,000	-
ALL CLINIC	406,600	-	-	-
Badea Medical S.R.L.	-	140,000	-	-
MNT Healthcare Europe S.R.L	-	1,000,000	-	1,000,000
Sanopass S.A.	-	-	-	-
Solomed Clinic S.A.	-	-	-	-
Sweat Concept One S.R.L.	6,235,000	8,073,500	49,000	-
CDTP Provita	26,654,266	4,694,920	4,000,000	-
Medicis S.A.	8,390,000	1,988,000	-	-
Policlinica de Diagnostic Rapid S.A.	-	-	11,277	-
Total	**62,593,946**	**42,618,741**	**32,203,872**	**34,142,916**

Loans received from related parties - movements

	Cash movement in:				Non-cash movement	
	Borrowings received		Reimbursments paid		Settlements (*)	
	2025	2024	2025	2024	2025	2024
Policlinica de Diagnostic Rapid Medis S.R.L.	-	-	-	-	-	-
Policlinica de Diagnostic Rapid S.A.	1.960.373	-	-	-	-	-
Onco Card S.R.L.	4.650.000	-	650.000	-	-	-
Med Life Broker de Asigurare si Reasigurare S.R.L.	-	500.000	-	-	659.000	-
Prima Medical S.R.L.	800.000	1.700.000	-	-	1.699.866	-
Almina Trading S.A.	3.000.000	9.750.000	-	11.192.359	-	-
Genesys Medical Clinic S.R.L.	-	-	-	-	-	-
Spital Lotus S.R.L.	4.800.000	6.725.000	-	6.365.275	4.500.000	-
Med Life Ocupational S.R.L.	1.344.000	-	250.000	-	-	-
Centrul Medical Micromedica SRL	1.912.163	550.000	-	550.000	1.912.163	-
Policlinica Union S.R.L.	-	1.500.000	1.500.000	-	-	-
Stomestet S.A.	-	1.000.000	-	-	-	-
Solomed Clinic S.A.	-	3.000.000	-	-	-	-
Biotest Med S.R.L.	600.000	-	600.000	425.000	-	-
MNT Asset Management S.R.L.	2.798.730	-	2.798.730	-	-	-
Valdi Medica S.R.L.	-	-	-	-	17.820	-
Total	**21.865.266**	**24.725.000**	**5.798.730**	**18.532.634**	**8.788.849**	**-**

(*) Settlements represent the offsetting of loans received from related parties against dividends distributed by subsidiaries to MedLife S.A.

(all amounts are expressed in RON, unless otherwise specified)

Transactions with related parties:

Sales and purchases of services

	Sales		Purchases	
	2025	**2024**	**2025**	**2024**
Policlinica de Diagnostic Rapid S.A.	5,486,884	5,301,649	7,625,435	7,352,070
Policlinica de Diagnostic Rapid Medis S.R.L.	310,699	323,938	92,854	92,585
Bahtco Invest S.R.L.	-	-	17,666,931	16,045,637
Genesys Medical S.R.L.	3,794,921	4,280,265	3,669,880	3,631,265
Biotest Med S.R.L.	1,681,974	1,389,930	2,131,557	2,021,667
Centrul Medical Sama S.A.	1,354,831	1,079,691	2,345,287	2,348,644
Prima Medical S.R.L.	-	-	76,695	73,710
Aspen Laborator Dentar S.R.L.	7,495	6,056	-	-
Almina Trading S.A.	1,988,490	1,801,030	1,146,306	1,048,833
Centrul Medical Panduri S.A.	717,900	638,921	6,586,882	5,287,328
Dentestet 4 Kids S.R.L.	-	15,075	-	-
Dent Estet Clinic S.A.	100,276	93,261	1,033,109	903,261
Green Dental S.R.L.	4,545	5,345	-	-
Clinica Polisano S.R.L.	1,829,074	1,614,589	1,854,397	1,582,073
Solomed Clinic S.A.	829,058	690,751	1,125,105	963,392
Anima Speciality Medical Services S.R.L.	1,015,161	785,124	3,093,901	2,583,681
Stem Cells Bank S.A.	1,016,077	927,081	-	-
Valdi Medica S.A.	1,188,475	986,943	161,631	198,162
Sfatul Medicului S.R.L.	8,160	8,507	167,665	125,529
Pharmalife Med S.R.L.	6,835	6,191	514,934	275,411
Centrul Medical Micromedica S.R.L.	291,508	260,958	765,856	1,340,141
Micromedica Roman S.R.L.	-	-	61,230	6,560
Centrul Medical Antares S.R.L.	227,301	-	58,190	5,301
Onco Team Diagnostic S.R.L.	61,626	6,507	6,847,616	4,802,519
Spital Lotus S.R.L.	2,045,099	1,932,706	336,218	370,241
Dent Estet Ploiesti S.R.L.	13,217	12,303	-	-
Personal Genetics S.R.L.	1,910,589	-	722,210	-
Euromedica Hospital S.A.	186,973	-	17,457	-
Sweat Concept One S.A.	9,763	-	-	-
Krondent S.R.L.	13,025	11,507	-	-
Costea Digital Dental S.R.L.	8,971	10,043	-	-
Pharmachem Distributie S.R.L.	51,356	49,811	5,988,304	6,035,052
SC M-Profilaxis S.R.L.	697,407	494,465	-	-
Badea Medical S.R.L.	2,634	2,169	229,907	236,572
SC Histo S.R.L.	-	-	105,873	97,429
Solomed Plus S.R.L.	-	1,719	257,337	273,948
Tomorad Expert S.R.L.	-	-	2,585	1,765
Centrul de Diagnostic si Tratament Provita S.A.	-	-	363,878	471,073
Dent Estet Genesys S.R.L.	6,163	5,905	-	-
Medici's S.R.L.	1,105,410	911,060	1,198,159	192,482
Laborator Cuza Voda S.R.L.	604,823	560,327	-	-
Muntenia Medical Competences S.A.	-	-	24,285	13,213
MNT Healthcare Europe S.R.L.	1,795,570	1,237,009	-	-
Routine Med S.A.	-	-	76,430	-
Sanopass S.A.	102,462	147,666	571,497	894,201
Policlinica Union S.R.L.	525,095	552,797	31,873	18,841
Provita Pain Clinic S.A.	-	-	59,749	50,842
Onco Card S.R.L.	-	-	66,275	57,026
Medica S.A.	-	-	48,042	56,404
Pro Life Clinics S.R.L.	-	-	40,265	29,253
Expert Med Centrul Medical Irina S.R.L.	-	-	47,839	18,808
Stomestet S.A.	-	-	64,430	56,728
Related parties*	68,368	18,039	700,800	700,982
Total	**31,068,215**	**26,169,338**	**67,978,871**	**60,262,626**

**Related parties refer to shareholders and other companies owned directly by the shareholders, not a part of Medlife Group*

(all amounts are expressed in RON, unless otherwise specified)

24. TAXATION

	12 months 2025	12 months 2024
Current income tax expense	8,166,117	7,497,600
Deferred tax income	(56,976)	(613,034)
Total income tax expense / (income)	**8,109,141**	**6,884,566**
Profit before tax	**16,864,061**	**29,380,897**
Tax expense using the statutory rate of 16%	2,698,250	4,700,944
Fiscal effect of non-deductible expenses	1,563,524	958,759
Sponsorship/other compensation	(1,209,819)	1,653,604
Adjustments in respect of current income tax of previous years	-	-
Other elements (including different fiscal treatment)	5,162,333	(428,741)
Income tax for the current year	**8,109,141**	**6,884,566**
Income tax to profit or loss – Expense / (Income)	**8,109,141**	**6,884,566**

	12 months 2025	12 months 2024
Income tax liabilities as at January 1	2,256,090	97,549
Income tax paid in the current year	(8,251,684)	(5,339,059)
Income tax payable in the current year	8,166,117	7,497,600
Current tax liabilities	**2,170,523**	**2,256,090**

Components of deferred tax	**December 31, 2025**	**Change in deferred tax**	**December 31, 2024**
Deferred tax assets			
Non-current assets	-	-	-
Amount related to untaken holidays provisions	488,141	(274,932)	763,073
Total deferred tax asset	**488,141**	**(274,932)**	**763,073**

Deferred tax liability	**December 31, 2025**	**Change in deferred tax**	**December 31, 2024**
Other elements	104,872	-	104,872
Revaluation reserve	17,541,474	590,435	16,951,039
Total deferred tax liability	**17,646,346**	**590,435**	**17,055,911**
Net deferred tax liability	**17,158,204**	**865,366**	**16,292,838**

(all amounts are expressed in RON, unless otherwise specified)

Components of deferred tax	December 31, 2024	Change in deferred tax	December 31, 2023
Deferred tax assets			
Non-current assets	-	-	-
Amount related to untaken holidays provisions	763,073	316,605	446,468
Total deferred tax asset	**763,073**	**316,605**	**446,468**

Deferred tax liability	December 31, 2024	Change in deferred tax	December 31, 2023
Other elements	104,872	-	104,870
Revaluation reserve	16,951,039	(296,429)	17,247,468
Total deferred tax liability	**17,055,911**	**(296,429)**	**17,352,338**
Net deferred tax liability	**16,292,839**	**(613,034)**	**16,905,872**

The Company accrues income taxes at the rate of 16% on profits computed in accordance with the Romanian tax legislation. The net effect of the change on deferred tax balances recognized as at December 31, 2025, except for the deferred tax related to the revaluation reserve which is recognized in equity, is reflected in the statement of comprehensive income for the year then ended.

During 2025, the Company has recognised deferred tax in relation with the revaluation reserve of RON 590,435 (RON 296,429 as of December 31, 2024), out of which RON 331,908 was charged to Profit and Loss account and RON 922,342 was registered in relation with revaluation that took place during 2025 through OCI.

25. CAPITAL MANAGEMENT

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Company consists of debt, which includes the borrowings disclosed in Note 14, cash and cash equivalents disclosed in Note 8 and equity, comprising issued capital, reserves and retained earnings as disclosed in note 15 and note 16.

The Company's risk management reviews the capital structure regularly. As a part of this review, the management considers the cost of capital and the risks associated with each class of capital. Based on management's recommendations, the Company manages its capital structure primarily through dividend distributions from subsidiaries, taking into account that existing borrowings were incurred also to finance the acquisition of subsidiaries, by raising new financing and repayment of existing debt.

The Company is the Parent entity of Medlife Group. The Group has grown in 2025 principally through organic development and less through acquisitions. In expanding organically, the Group is exposed to potential loss of capital if the expansion or new activities do not immediately meet their financial objectives, which also has an impact on Med Life S.A.

The Company's objective is to use cash flows generated by its established business units to support investments in new organic projects, which typically involve an initial ramp-up phase until reaching maturity. In this context, the Company maintains an adequate level of equity to act as a buffer against potential variations in performance.

Debt financing has been primarily used to fund acquisitions of subsidiaries, whose results are reflected in the consolidated financial statements, but also organic development projects. When assessing the adequacy of its capital structure relative to its activities and exposures, the Company monitors the ratio of total equity to net interest-bearing loans and borrowings (excluding overdrafts and net of cash and cash equivalents), as presented in the table below.

The Company's medium-term objective is to maintain this ratio at sustainable levels while continuing to invest in business development and strategic acquisitions, ensuring a balanced capital structure between debt and equity.

	December 31, 2025	December 31, 2024
Interest-bearing loans and borrowings without overdraft	697,958,733	641,688,977
Cash and cash equivalents	18,652,611	15,335,770
Loans payable net of cash	679,306,122	626,353,207
Total Equity	359,384,706	345,657,755
Ratio Total equity to loans payables net of cash	**0.53**	**0.55**

26. RISK MANAGEMENT

The Company's Board of Directors has the overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits.

The Audit Committee is responsible for monitoring and addressing issues concerning the effectiveness and efficiency of the Company's internal controls, regulatory compliance and risk management.

In the course of its business the Company is exposed to a number of financial risks, including credit, interest rate, liquidity and foreign currency risks. This note presents the Company's objectives, policies and processes for managing these risks and methods used to measure risks.

The central treasury function has an important role in managing the Company's financial risks with the aim to control and manage the Company's financial exposure and financial costs with a balance between risk and costs.

(a) Credit risk

Financial assets that potentially give rise to concentrations of credit risk consist principally of cash, short-term deposits, trade and other receivables and other financial assets, as well as intercompany loans. The Company's cash equivalents and short-term deposits are placed with reputable financial institutions with a high credit rating in Romania.

Trade receivables are represented net of the allowance for expected credit losses. Credit risk with respect to trade receivables is limited due to the large number of customers comprising the Company's customer base, which consists mainly of both individuals and companies. Around 54% of the total sales are cash-based with remaining being based on issuance of invoices. The financial condition of these customers in relation to their credit standing is evaluated on an ongoing basis.

The Company has also developed certain procedures to assess legal entities as customers prior to signing contracts, aimed at providing health care packages (PPMs), and monitoring their ability to meet the payments during the course of contracts. Also, the Company has established an internal Collection department which actively monitors encashments received from customers.

The gross carrying amounts of financial assets (before credit loss allowances) included in the statement of financial position represent the Company's maximum exposure to credit risk in relation to these assets. The Company has only 13% of its sales during 2025 deriving from the treatment of NHIH insured patients (concentration of credit risk) – reliance on major customers.

At 31 December 2025 and 31 December 2024, the Company did not consider there to be a significant concentration of credit risk. Please see Note 7 and Note 23 for further details regarding credit risks of trade and other receivables, loans granted and expected credit loss allowance and Note 3.11.1 Financial assets, for further details of accounting policies used by the Company.

(b) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Company is exposed to interest rate risk because it borrows funds at floating interest rates. The higher risk is represented by funds borrowed in the national currency, because the interest rates are periodically repriced based on index variation.

Lease contracts concluded in the national currency are also exposed due to the above repricing process, as the discount rate in this case is linked to the internal borrowing rates for funds withdrawn in the national currency.

Interest rate sensitivity analysis
The sensitivity analysis below has been determined based on the exposure to interest rates for interest bearing financial instruments at the reporting date. Out of the total outstanding balances for both borrowings and leases only the amounts that refers to the Syndicated loan and lease contracts (which refer to rent of buildings, equipment and vehicles) have been considered for the sensitivity on interest rate computation. These amounts which were included in the analysis cover more than 90% of the total outstanding balances for both borrowings and leases.

A 10% percent increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. The assumptions used have not changed from previous years.

Based on historical data, the management of the Company considers a 10% increase in the interest rate as appropriate to be included in the sensitivity analysis performed in relation with interest rate risk measurement. Taking into consideration the value of loans in total and the actual level of the interest rate (as of 31 December 2025), any change with more that 10% is not expected.

During 2025, the downward trend on interest rates has materialised with EURIBOR rates declining from 2.5% to around 2%. As of early 2026, the EURIBOR rate has remained broadly stable at approximately 2.0% - 2.1%. According to forecasts available and euribor-rates.eu, the EURIBOR level is predicted to remain at an average level of 2.0%, generally ranging between approximately 1.9% and 2.2%, depending on inflation developments and the European Central Bank's monetary policy.

(all amounts are expressed in RON, unless otherwise specified)

As a result, the management of the Company does not consider the need of a higher expected increase in interest rate in the sensitivity analysis. Please see Note 14 Net Financial Debt, where the exposure to the interest rates is disclosed.

If interest rates had been 10% per cent higher and all other variables were held constant, the Company's profit for the year ended 31 December 2025 would decrease by RON 3,316,959 RON (2024: decrease with RON 4,136,490). An equal positive variance would occur for a 10% decrease of interest rate. This is mainly attributable to the Company's exposure to interest rates on its borrowings and leases.

Amounts exposed to interest rate risk

LIABILITIES	Total	Out of which included in the sensitivity analysis		%	Interest expenses per year at the current interest rate for the selected portion	Interest expenses per year at the interest rate increased by 10% for the selected portion	Variation that affects the profit and loss account when the interest rate increases by 10%
2025							
Overdraft	10,197,000						
Short-Term and Long-Term portions of loans	697,958,733	Syndicated Loan	696,122,095	98%	30,378,465	33,416,312	3,037,847
Short-Term and Long-Term portions of leases	48,460,342	Contracts that refer to rent of buildings, equipment and vehicles which fall under IFRS 16	46,087,680	95%	2,393,024	2,672,136	279,113
2024							
Overdraft	9,948,200		637,528,178	98%	38,377,132	42,214,846	3,837,713
Short-Term and Long-Term portions of loans	641,688,977	Syndicated Loan					
Short-Term and Long-Term portions of leases	51,163,349	Contracts that refer to rent of buildings, equipment and vehicles which fall under IFRS 16	46,136,134	90%	2,606,115	2,904,892	298,777

	December 31, 2025	December 31, 2024
Profit or loss and Equity	3,316,959	4,136,490

(c) Liquidity risk

Ultimate responsibility for liquidity risk management rests with the executive committee, which has built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Loans granted to related parties are not used to manage liquidity risk of the Company.

Liquidity risk refers to the risk that a Company may also not be able to meet its short-term financial obligations due to insufficient liquid assets. One key metric for assessing liquidity risk is the Current Ratio, followed by Operating Cash Flow Ratio, which are presented below.

Current ratio

	December 31, 2025	December 31, 2024
Current assets	382,661,074	346,672,770
Current liabilities	356,182,263	346,074,077
Ratio Total current assets over current liabilities	**1.07**	**1.00**

The current ratio is a vital starting point for assessing liquidity risk, but not sufficient. As the Current ratio is above 1, with a slight increase in 2025, this indicates a good level of liquidity risk.

Based on the Company's capacity to generate operating cash flows and the positive contribution of acquired subsidiaries to the Group's financial position, management does not expect any material uncertainties in meeting its short-term financial obligations. Liquidity is further supported by a 22% increase in cash and cash equivalents in 2025 compared to 2024, as well as by available undrawn credit facilities, which provide sufficient headroom for the foreseeable future.

The following table details the Company's remaining contractual maturity for financial liabilities as of December 31, 2025 and December 31, 2024. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

(all amounts are expressed in RON, unless otherwise specified)

2025	**Weighted average effective interest rate**	**Carrying amount**	**Total**	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**> Year 5**
Non-interest bearing instruments									
Trade payables		231,624,137	231,624,137	231,624,137	-	-	-	-	-
Interest bearing instruments									
Overdraft		10,197,000	10,197,000	10,197,000	-	-	-	-	-
Syndicated Loan	EURIBOR 6M / ROBOR 6M + margin	697,958,733	830,497,345	58,407,749	119,419,785	86,017,471	100,640,600	113,451,673	352,560,068
Lease contracts		48,460,342	52,315,171	20,054,423	13,794,080	10,003,613	5,308,531	2,009,438	1,145,086
Total		**988,240,212**	**1,124,633,654**	**320,283,309**	**133,213,866**	**96,021,084**	**105,949,130**	**115,461,111**	**353,705,153**

2024	**Weighted average effective interest rate**	**Carrying amount**	**Total**	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**> Year 5**
Non-interest bearing instruments									
Trade payables		207,442,240	207,442,240	207,442,240	-	-	-	-	-
Interest bearing instruments									
Overdraft		9,948,200	9,948,200	9,948,200	-	-	-	-	-
Syndicated Loan	EURIBOR 6M / ROBOR 6M + margin	641,688,977	757,105,488	110,598,073	82,565,654	87,858,030	124,595,200	351,488,531	-
Lease contracts		51,163,349	54,858,928	24,548,712	13,637,633	8,690,069	6,190,069	1,792,445	-
Total		**910,242,766**	**1,029,354,857**	**352,537,226**	**96,203,286**	**96,548,099**	**130,785,269**	**353,280,976**	**-**

The amounts due in year 2 include also facility B, which includes a roll-over option.

(d) *Foreign currency risk*

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The Company's exposure to such risk is primarily driven by EUR-denominated borrowings, reflecting the Company's financing structure.
At the operating level, the Company benefits from a natural hedge, as a portion of its revenues—particularly from corporate prevention and medical subscription packages—are denominated in EUR, while most operating expenses are incurred in RON, with only limited exposure to EUR through certain consumables and materials.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

2025	**RON**	**1 EUR = 5.0985 RON**	**Total**
ASSETS			
Cash and cash equivalents	18,637,893	14,718	18,652,611
Trade receivables	110,652,961	-	110,652,961
Loans granted to related parties	185,596,104	16,459,383	202,055,486
Long-term loans to group companies	-	15,308,716	15,308,716
Other long term receivables	2,231,678	-	2,231,678
LIABILITIES			
Trade payables	231,624,137	-	231,624,137
Overdraft	-	10,197,000	10,197,000
Other long term debt	-	-	-
Short-Term and Long-Term portions of loans	434,475	697,524,258	697,958,733
Short-Term and Long-Term portions of financial leasing	314,765	48,145,576	48,460,342
Loans received from related parties	27,511,948	-	27,511,948

2024	**RON**	**1 EUR = 4.9741 RON**	**Total**
ASSETS			
Cash and cash equivalents	15,309,969	25,801	15,335,770
Trade receivables	97,162,994	-	97,162,994
Loans granted to related parties	174,365,410	17,277,161	191,642,571
Long-term loans to group companies	-	14,722,878	14,722,878
Other long term receivables	2,210,065	-	2,210,065
LIABILITIES			
Trade payables	207,442,240	-	207,442,240
Overdraft	-	9,948,200	9,948,200
Other long term debt	-	-	-
Short-Term and Long-Term portions of loans	-	641,688,977	641,688,977
Short-Term and Long-Term portions of financial leasing	361,432	50,801,917	51,163,349
Loans received from related parties	18,351,571	-	18,351,571

The Company is mainly exposed to movements in the RON/EUR exchange rate. The table below presents the Company's sensitivity to a 10% increase and decrease of RON against EUR. The 10% variation represents a stress scenario used for internal risk assessment purposes and reflects a conservative assumption applied by management when evaluating foreign currency exposure. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the reporting date for a 10% change in exchange rates.

If EUR is weakening 10% against RON, the profit will increase and the amount stated below will be positive. For a 10% strengthening of EUR against RON there would be an equal and opposite impact on the profit, and the balances below would be negative. The assumptions used have not changed from previous years. The variation below is presented as absolute amounts.

(all amounts are expressed in RON, unless otherwise specified)

	12 months 2025	12 months 2024
Profit or loss	72,408,402	66,967,201

(e) Sustainability

The Company, the ultimate parent of the Group, identifies two major categories of climate-related risks: physical risks and transition risks. Acute physical risks include extreme weather events such as heatwaves, storms, floods, and wildfires. Chronic risks refer to long-term climate changes that impact temperature, precipitation, and environmental conditions. These can generate cumulative effects on public health, medical infrastructure, and the financial and material resources needed for the healthcare system to function effectively.

The Group is exposed to the following **transition risks**: European and national climate regulations that impose strict standards for energy efficiency and emissions reduction, with a direct cost impact; technological transition, which requires significant investments in efficient equipment and digitalization; changing preferences of consumers and investors toward sustainable providers, which may affect competitiveness; rising energy prices and carbon taxes (ETS2), which increase financial pressure; and wastewater treatment regulations (UWWTD), which may indirectly impact the availability of essential medicines.

As at 31 December 2025, the Group does not consider that these risks will have a material financial impact in the near term.

In 2024, the Group calculated its first carbon footprint and initiated a comprehensive analysis of the factors influencing its environmental impact. Building on this foundation, in 2025 the Company is actively implementing initiatives aimed at reducing its carbon footprint and strengthening climate resilience, including both direct and indirect measures.

The carbon footprint analysis included emissions across all three categories in line with the GHG Protocol Corporate Accounting and Reporting Standard (Revised 2015):

- **Scope 1 amounting 8,060.6 tCO_2e (2024: 7,130.2 tCO_2e)** covers direct emissions from the Group's activities, including fuels used by company-operated vehicles or generators, natural gas consumption for company facilities, and fugitive emissions from cooling equipment refrigerants.
- **Scope 2 amounting 5,074.7 tCO_2e location-based (4,094.8 tCO_2e)** refers to indirect emissions from purchased energy, including both electricity and thermal energy, with electricity being the dominant source.
- **Scope 3, with the highest share at 120,579.5 tCO_2e (2024: 123,541,8 tCO_2e)**, covers indirect emissions across the company's value chain. This includes categories such as purchased goods and services, capital goods, upstream transport and distribution, employee commuting, waste generated in operations, business travel, leased assets (both upstream and downstream), end-of-life treatment of products, and fuel- and energy-related activities.

For more detailed information on the main sustainability impacts, risks and opportunities, as well as related policies, actions, indicators and targets, please refer to the **Group's Sustainability Statement**, which is included in the Annual Report.

(f) Ongoing war

The crisis started in February 2022 and was generated by the invasion of Russia in Ukraine, which led to a sharp increase in energy prices, both in Romania and in other European countries. The invasion created a refugee crisis with the fastest growth in Europe. At the same time, at the regional level, a resource crisis was created due to the imposition of a series of restrictions on the international level, Russia being an important player in the natural gas market in Europe.

The Company does not own subsidiaries and affiliated entities on the territory of Ukraine, nor does it have any other relevant exposures in the countries directly involved in this conflict. From an operational point of view, the purchases of energy and natural gas are mainly made from the domestic market; availability, provenance and delivery of resources could be influenced by the dynamics of the conflict from region.

During 2026, geopolitical tensions in the Middle East increased following the escalation of the situation involving Iran and other regional and international actors. These developments have contributed to volatility in global financial markets, particularly in relation to energy prices, international trade and supply chains. The Company has not identified any direct exposure to Iran or other significant impacts on its financial position, financial performance or cash flows.

The consequences of the ongoing conflicts, the European energy crisis and resulting regulatory measures and other economic disruptions currently being observed, and further regulatory interventions, as well as the extent and duration of their economic impact cannot be reliably estimated at this stage. The Company is responding to the situation with targeted measures to safeguard its economic stability. Because events are ongoing, the long-term impact can affect cash flows and profitability. However, at the date of these financial statements, the geopolitical context has no significant negative impact on the financial statements as of December 31, 2025.

(g) Macroeconomic environment

The economic context at national and international level that may negatively influence the Company's activity refer to factors such as: inflation, recession, changes in fiscal and monetary policy, tighter lending, higher interest rates, new or rising tariffs, currency fluctuations, raw material price (electricity, natural gas), etc.

During 2024 and 2025, Romania experienced a slowdown in economic growth amid persistent inflationary pressures and ongoing fiscal consolidation measures. Real GDP growth moderated during this period, although the economy continued to expand, supported by resilient private consumption and investments financed through European Union funds. Inflation remained elevated but continued its gradual downward trend compared to previous years, while the labor market remained relatively stable, with unemployment levels broadly unchanged.

The Company's income or the value of its holdings can be affected by the particular movements in the global financial markets. The discount rates used in the impairment tests during 2025 have remained at the same levels, compared with the previous year (between 10.5% and 23% compared with the prior year, between 8.6% and 24%). However, as a result of the sensitivity analysis performed, the Company considers that it has sufficient headroom in case of a potential increase above these numbers, with no material impact on the financial statements.

During 2026, the Romanian economy entered a technical recession following two consecutive quarters of marginal decline in gross domestic product (GDP). This development reflects broader macroeconomic pressures affecting the European economy, including persistent inflationary pressures in previous periods, tighter monetary policy and slower economic growth in key trading partners.

Notably, the healthcare sector has demonstrated considerable resilience to market turbulences. This resilience is attributed to the constant demand for healthcare services, the sector's ability to adapt to changing environments, and strategic investments in technology and infrastructure. This resilience translates into a relatively stable operational and financial outlook, even in the face of economic uncertainties.

Also, the revaluation process held at the end of 2025 on all owned Land and Buildings, which generated an overall surplus at the Company level, brings sufficient confidence over the value of the assets held, being stated at their current fair value in these financial statements.

The Company revises quarterly its sensitivities to interest rates and foreign currency fluctuations. At the date of these financial statements, the Company considers that the impact of these changes would not affect the ability as a going concern, with appropriate measures undertaken in order to reduce any potential risks.

27. FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments in the statement of financial position include trade receivables and other receivables, cash and cash equivalents, short-term and long-term loans and trade and other payables. These are presented at amortised cost. The estimated fair values of these instruments approximate their carrying amounts, largely due to the short-term maturities of these instruments, except for loans.

The carrying amount of loans approximate their fair value considering the two renegotiations of the syndicated loan signed in 2024 in 2025, in which all the credit facilities were re-arranged in terms of both maturities and interest rates. The syndicated loan covers around 88% of the total Company debt position exposure.

Financial instruments that are not held at fair value
At level 1 of the fair value hierarchy, the Company classified cash and cash equivalents as assets that are not held at fair value.

At level 3 of the fair value hierarchy, the Company classified in the category of assets: trade and other receivables, other financial assets, and in the category of debt: loans from banks and other financial institutions, leasing debts, trade payables and other financial liabilities.

The following table shows the fair value and the fair value hierarchy for assets and liabilities that are not measured at fair value in the statement of financial position as at 31 December 2025:

(all amounts are expressed in RON, unless otherwise specified)

ASSETS	Classification under IFRS 9	Carrying amount	Fair value	Level 1	Level 2	Level 3
Cash and cash equivalents	Amortized cost	18,652,611	18,652,611	18,652,611	-	-
Trade Receivables	Amortized cost	110,652,961	110,652,961	-	-	110,652,961
Other financial assets	Amortized cost	17,540,394	17,540,394	-	-	17,540,394
LIABILITIES						
Trade and other payables	Amortized cost	231,624,137	231,624,137	-	-	231,624,137
Overdraft	Amortized cost	10,197,000	10,197,000	-	-	10,197,000
Other long term debt	Amortized cost	-	-	-	-	-
Lease liability	Amortized cost	48,460,342	48,460,342	-	-	48,460,342
Long term debt	Amortized cost	697,958,733	697,958,733	-	-	697,958,733

In March 2025 the Group has negotiated with Banca Comercială Română S.A., as Arranger, Agent and Lender and with other credit institutions that are syndicate members acting as Lenders, the terms and conditions of extending the credit limit by an additional amount of up to EUR 50 million. According to the new terms negotiated between the parties, the financing period was prolonged with 2 years and the interest rate margin remained the same. Therefore, the Company considers that the fair value of Long term debt is similar with the carrying amount.

28. COMMITMENTS AND CONTINGENCIES

Contingent liabilities are not recognized in the separate financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is probable. A contingent asset is not recognized in the separate financial statements but disclosed when an inflow of economic benefits is probable. The assessment of contingencies inherently involves the exercise of judgment and estimates of the outcome of future events.

Syndicated loan related commitments

The Group is subject to compliance with both financial and non-financial covenants as specified in the contractual arrangement for the syndicated loan.

Other commitments

As at December 31, 2025, the Company maintains insurance coverage for potential malpractice claims brought by patients, as well as insurance policies related to buildings and medical equipment.

In conformity with the concluded agreement with the National House of Health Insurance, the Company has to provide primary medical services to National House's insured citizens.

BCR issued letters of warranties in the favour of Med Life S.A. in amount of RON 9,885,613, out of which EUR 63,472 as of December 31, 2025 (December 31, 2024: RON 13,403,333, out of which EUR 1,866,471).

Fiscal environment

The taxation system in Romania is still developing and is subject to various interpretations and constant changes, which may sometimes be retroactive. Although the actual tax due for a transaction may be minimum, delay interests may be significant, as they can be calculated at the value of the transaction and at a rate of 0.02% per day (interest) and 0.01% (penalties) per day.

In Romania the statute of limitation for tax controls (audits) is of 5 years. During 2021, the Company had a tax control which covered period from 2016 to 2020. The control was finalised during 2021 and the results were booked in accounting. Management believes that the tax obligations included in these financial statements are adequate.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Transfer pricing

The fiscal legislation from Romania includes the "market value" principle, according to which the transactions between related parties have to be performed at the market value. The local tax payers, who carry transactions with related parties, have to prepare and make available to the tax authorities from Romania, at their written request, the transfer pricing documentation file. If the companies do not prepare the documentation or they present an incomplete transfer pricing file may attract penalties for non-conformity, and additionally to the information presented in the transfer pricing file, the fiscal authorities may have a different interpretation of the transactions and the circumstances compared to the management's assessment and, as a result, they may impose additional fiscal obligations as a result of adjusting transfer prices. The management of the Company is confident that, if required, they will submit the necessary information in due time to the fiscal authorities. Transactions with related parties and subsidiaries are carried out on the basis of the market value principle.

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

29. FEES TO AUDITORS

Starting with 2024, the auditor of the Company is Deloitte Audit SRL.
The fee for the audit services of the consolidated financial statements as of December 31, 2025 of the Group prepared in accordance with IFRS as adopted by EU and the separate financial statements as of December 31, 2025 of Med Life S.A. prepared in accordance with IFRS in line with the provisions of Ministry of Finance Order number 2844/2016, as well as the audit services of the other separate financial statements of subsidiaries prepared in accordance with the provisions of Ministry of Finance Order number 1802/2014 was EUR 387,502 excluding VAT and other expenses.

The fee for other non-audit services performed in 2025 was EUR 59,005 excluding VAT.

30. EVENTS AFTER THE BALANCE SHEET DATE

Geopolitical environment

At the beginning of 2026, the international geopolitical environment remained characterized by uncertainties, including developments in the Middle East, particularly with regard to Iran. The Company is closely monitoring the situation and the potential indirect effects on its operations, including impacts on supply chains, operating costs, and inflation dynamics.

Based on the information available at the date of approval of the financial statements, these developments have been considered non-adjusting subsequent events in accordance with IAS 10 and do not have a significant impact on the financial statements for the financial year ended 31 December 2025. There have been no other significant events subsequent to 31 December 2025

There were no other significant events subsequent to December 31, 2025.

These financial statements, comprising the separate statement of financial position, the separate statement of comprehensive income, the separate statement of changes in equity, the separate statement of cash flows and notes, were approved on March 30, 2025.

Mihail Marcu,
CEO

Alina-Oana Trinoiu-Titu,
CFO