SISTEMUL MEDICAL

MedLife

MEDLIFE GROUP

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 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 STANDARDS

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

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

	Note	December 31, 2025	December 31, 2024
ASSETS			
Non-current Assets			
Goodwill	4	506,141,959	492,034,979
Intangible assets	5	115,543,351	120,974,820
Property, plant and equipment	5	1,466,340,590	1,303,969,853
Right-of-use asset	13	388,207,329	386,290,334
Other financial assets	5.3	81,805,318	54,138,411
Total Non-Current Assets		**2,558,038,547**	**2,357,408,397**
Current Assets			
Inventories	6	152,897,713	148,798,218
Trade Receivables	7.1.	301,762,702	324,106,860
Other assets	7.2.	54,736,653	55,880,250
Cash and cash equivalents	8	176,178,001	112,808,224
Prepayments	9	17,313,081	17,311,896
Total Current Assets		**702,888,150**	**658,905,448**
TOTAL ASSETS		**3,260,926,697**	**3,016,313,845**
LIABILITIES & SHAREHOLDER'S EQUITY			
Non-Current Liabilities			
Lease liability	13,14	298,868,179	286,025,347
Other long term debt	11	51,592,328	69,109,053
Interest-bearing loans and borrowings	14	1,409,725,830	1,135,073,779
Deferred tax liability	26	56,467,607	45,236,597
Total Non-Current Liabilities		**1,816,653,945**	**1,535,444,775**
Current Liabilities			
Trade and other payables	10	507,050,939	571,552,330
Overdraft	14	38,485,631	29,076,066
Current portion of lease liability	13,14	112,051,538	108,288,263
Current portion of interest-bearing loans and borrowings	14	72,208,446	127,417,891
Current tax liabilities	26	834,764	4,322,327
Provisions	12	12,285,324	17,409,666
Other liabilities	11	142,532,566	118,157,796
Total Current Liabilities		**885,449,208**	**976,224,339**
TOTAL LIABILITIES		**2,702,103,153**	**2,511,669,114**
SHAREHOLDER'S EQUITY			
Share capital and Share premium	15	132,562,337	132,562,337
Treasury shares		(3,227,053)	(1,760,728)
Reserves	17	309,584,384	232,230,657
Retained earnings		45,052,047	69,593,507
Equity attributable to owners of the Group		**483,971,715**	**432,625,773**
Non-controlling interests	18	74,851,830	72,018,957
TOTAL EQUITY		**558,823,544**	**504,644,731**
TOTAL LIABILITIES AND EQUITY		**3,260,926,697**	**3,016,313,845**

Mihail Marcu,
CEO

Alina-Oana Irinoiu-Titu,
CFO

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

	Note	12 months ended December 31, 2025	12 months ended December 31, 2024
Revenue from contracts with customers	19	3,173,518,743	2,715,574,711
Other operating income	20	13,006,001	8,850,263
Operating Income		**3,186,524,744**	**2,724,424,974**
Consumable materials and repair materials		(634,437,273)	(499,578,757)
Third party expenses	21	(905,101,423)	(765,622,489)
Salary and related expenses	23	(761,818,567)	(645,609,836)
Social contributions	23	(28,584,022)	(23,853,508)
Depreciation, amortization and impairment of fixed assets	5,13	(285,792,831)	(254,592,721)
Impairment losses (including reversals of impairment losses)	7, 5.3	(8,048,303)	(6,475,319)
Commodities expenses		(209,592,990)	(226,208,593)
Other operating expenses	22	(194,154,604)	(162,075,380)
Operating expenses		**(3,027,530,014)**	**(2,584,016,603)**
Operating Profit		**158,994,730**	**140,408,371**
Finance cost	24	(96,616,415)	(102,630,990)
Interest income	24	2,293,240	2,175,920
Other financial income	24	132,058	462,070
Other financial expenses	24	(45,665,966)	(1,346,241)
Financial result		**(139,857,083)**	**(101,339,241)**
Profit Before Tax		**19,137,647**	**39,069,130**
Income tax expense	26	(22,988,301)	(22,316,703)
(Loss) / Profit After Tax		**(3,850,654)**	**16,752,427**
Owners of the Group		11,266,998	25,035,987
Non-controlling interests	18	(15,117,651)	(8,283,560)
Earnings per share			
Basic earnings per share	16	0.021	0.047
Diluted earnings per share	16	0.021	0.047
Other comprehensive income items that will not be reclassified to profit or loss			
Gain on revaluation of properties		61,769,414	-
Deferred tax on other comprehensive income components		(9,883,106)	-
TOTAL OTHER COMPREHENSIVE INCOME		**51,886,308**	**-**
Total other comprehensive income attributable to:			
Owners of the Group		43,554,931	-
Non-controlling interests		8,331,378	-
TOTAL COMPREHENSIVE INCOME		**48,035,654**	**16,752,427**
Total comprehensive income attributable to:			
Owners of the Group		54,821,929	25,035,987
Non-controlling interests	18	(6,786,273)	(8,283,560)

Mihail Marcu,
CEO

Alina-Oana Irinoiu-Titu,
CFO

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

	Note	12 months ended December 31, 2025	12 months ended December 31, 2024
Net profit before taxes	**26**	**19,137,647**	**39,069,130**
Adjustments for			
Depreciation and impairment of fixed assets	**5,13**	285,792,831	254,592,721
Net (gain) from revaluation of property, plant and equipment	**5**	(463,313)	-
Movements in provisions		(3,558,932)	4,727,712
Interest revenue	**24**	(2,293,240)	(2,175,920)
Interest expense	**24**	96,616,415	102,630,990
Impairment losses (including reversals of impairment losses)	**7, 5.3**	8,048,303	6,475,319
Written off and allowance of other current assets	**6**	420,853	-
Share-based payment expense	**23**	1,596,057	-
Unrealized exchange (gain) / loss	**24**	45,890,983	(812,323)
Other income	**24**	(225,017)	(441,497)
Revenues from subsidies for investment	**20**	(3,242,692)	-
Net gain on disposal of property		(1,770,323)	-
Operating cash flow before working capital changes		**445,949,572**	**404,066,132**
Decrease / (increase) in accounts receivable		(9,311,902)	(81,969,328)
Decrease / (increase) in inventories		(3,898,657)	(36,397,101)
Decrease / (increase) in prepayments		78,035	(5,484,731)
Increase / (decrease) in accounts payable		(104,030,381)	109,393,774
Cash generated from working capital changes		**(117,162,905)**	**(14,457,386)**
Cash generated from operations		**328,786,667**	**389,608,746**
Interest Paid	**14**	(82,697,212)	(83,880,922)
Interest received		2,291,879	2,175,920
Income Tax Paid	**26**	(25,681,728)	(22,280,461)
Net cash from operating activities		**222,699,606**	**285,623,283**
Acquisition of subsidiary net of cash acquired and advances for acquisition of subsidiaries	**4,27**	(10,635,628)	(51,506,359)
Purchase of intangible assets	**5**	(8,536,452)	(19,278,373)
Purchase of property, plant and equipment	**5**	(219,179,953)	(236,736,304)
Proceed from sale of fixed assets		2,665,544	-
Net cash used in investing activities		**(235,686,489)**	**(307,521,036)**
Cash flow from financing activities			
Proceeds from loans	**14**	319,745,383	221,540,083
Payment of loans	**14**	(127,606,767)	(86,221,158)
Financial lease payments	**14**	(105,191,016)	(97,366,474)
Dividends paid to NCI		(3,704,036)	(2,066,916)
Payments for purchase of treasury shares		(1,466,325)	(1,078,836)
Additional participation interest acquired	**18**	(5,420,579)	(371,815)
Net cash from financing activities		**76,356,660**	**34,434,884**
Net change in cash and cash equivalents		**63,369,777**	**12,537,131**
Cash and cash equivalents beginning of the period		112,808,224	100,271,093
Cash and cash equivalents end of the period		**176,178,001**	**112,808,224**

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	*Attributable to owners of the Group*	Non-controlling interests	*Total Equity*
Balance as at December 31, 2024	**132,870,492**	**(1,760,728)**	**(308,155)**	**82,733,608**	**149,497,049**	**69,593,507**	**432,625,774**	**72,018,957**	**504,644,731**
(Loss) for the year	-	-	-	-	-	11,266,998	11,266,998	(15,117,651)	(3,850,654)
Revaluation of Land and Constructions (Note 5)	-	-	-	-	51,851,108	-	51,851,108	9,918,307	*61,769,415*
Deferred tax related to other elements of the overall result (Note 26)	-	-	-	-	(8,296,177)	-	(8,296,177)	(1,586,929)	*(9,883,106)*
Total comprehensive income	**-**	**-**	**-**	**-**	**43,554,931**	**11,266,998**	***54,821,929***	**(6,786,273)**	***48,035,654***
Recognition of other reserves for fiscal purposes (legal reserves) (Note 17)	-	-	-	1,343,483	-	(1,343,483)	-	-	-
Recognition of other reserves (Note 17)	-	-	-	31,063,945	-	(31,063,945)	-	-	-
Transfer for the sale of property, plant and equipment (Note 17)	-	-	-	-	(204,688)	204,688	-	-	-
Stock option plan (Note 23)	-	-	-	1,596,057	-	-	1,596,057	-	1,596,057
Additional non-controlling interest arising as of result of business combinations (Note 18)	-	-	-	-	-	-	-	1,132,887	1,132,887
Subsequent acquisition of NCI (Note 18)	-	-	-	-	-	(3,605,720)	(3,605,720)	(749,081)	(4,354,801)
Distribution of dividends (Note 18)	-	-	-	-	-	-	-	(182,370)	(182,370)
Conversion of loans to Equity (Note 18)	-	-	-	-	-	-	-	9,417,710	9,417,710
Increase from own shares acquisition (Note 15)	-	(1,466,325)	-	-	-	-	(1,466,325)	-	(1,466,325)
Balance as at December 31, 2025	**132,870,492**	**(3,227,053)**	**(308,155)**	**116,737,092**	**192,847,292**	**45,052,047**	**483,971,714**	**74,851,830**	**558,823,544**

During 2025, the Group performed the revaluation of Land and Buildings owned – please refer to Note 5 and Note 26 for relevant disclosures and overall impact.
Also, please refer to Note 18 for transactions held during 2025 with Non-controlling interest.

Mihail Marcu,
CEO

Alina-Oana Irinoiu-Titu,
CFO

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

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

	Share Capital	Treasury shares	Share premium	Legal reserves and other reserves	Revaluation Reserve	Accumulated Results	Attributable to owners of the Group	Non-controlling interests	Total Equity
Balance as at December 31, 2023	**132,870,492**	**(681,892)**	**(308,155)**	**63,063,167**	**149,497,049**	**70,850,636**	**415,291,298**	**78,900,725**	**494,192,023**
Profit of the year	-	-	-	-	-	25,035,987	25,035,987	(8,283,560)	16,752,427
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**25,035,987**	**25,035,987**	**(8,283,560)**	**16,752,427**
Recognition of other reserves for fiscal purposes (legal reserves) (Note 17)	-	-	-	751,581	-	(751,581)	-	-	-
Recognition of other reserves (Note 17)	-	-	-	18,918,860	-	(18,918,860)	-	-	-
Additional non-controlling interest arising as of result of business combinations (Note 18)	-	-	-	-	-	-	-	3,065,788	3,065,788
Subsequent acquisition of NCI (Note 18)	-	-	-	-	-	(6,622,675)	(6,622,675)	197,920	(6,424,755)
Distribution of dividends (Note 18)	-	-	-	-	-	-	-	(1,861,916)	(1,861,916)
Increase from own shares acquisition (Note 15)	-	(1,078,836)	-	-	-	-	(1,078,836)	-	(1,078,836)
Balance as at December 31, 2024	**132,870,492**	**(1,760,728)**	**(308,155)**	**82,733,608**	**149,497,049**	**69,593,507**	**432,625,774**	**72,018,957**	**504,644,731**

Mihail Marcu,
CEO

Alina-Oana Irinoiu-Titu,
CFO

1. DESCRIPTION OF THE BUSINESS

Med Life S.A. ("Parent Company" or the "Company") is a joint-stock company incorporated in 1996, in accordance with the laws and regulations of Romania, with headquarters in 365 Calea Grivitei, Bucharest, with a share capital of RON 132,870,492, having a nominal share value of 0.25 RON.

The Company's activity resides in conducting healthcare services through medical centers with national coverage.

Med Life S.A., together with its subsidiaries ("Medlife Group" or the "Group"), is offering a large range of medical services, through a network of 36 hyperclinics, 79 clinics, 18 hospitals, 4 maternities and 1 Stem cells bank, 42 laboratories, 19 pharmacies and 17 dental clinics. The Group also has over 280 private clinic partners around Romania.

Med Life S.A. is the leading private health care services provider in Romania in terms of sales, having a significant market share at a national level.

The ultimate parent of the Group is Med Life S.A. In accordance with the provisions of the Law no. 129/2019, the Group has identified the following controlling parties:

The Marcu family:
1. Mr. Mihail Marcu, considering his quality of shareholder of the Company, which holds a percentage of 12.5958% of its share capital;
2. Mr. Nicolae Marcu, considering his quality of shareholder of the Company, which holds a percentage of 9.7805% of its share capital;
3. Mrs. Mihaela Gabriela Cristescu, considering her quality of shareholder of the Company, which holds a percentage of 14.0442% of its share capital.

Considering the family relations between the persons mentioned above, namely the fact that Mr. Mihail Marcu and Mr. Nicolae Marcu are the sons of Mrs. Mihaela Gabriela Cristescu, and the fact that together they own more than 25% of the total share capital of the company, it was established that they control the company together and are the final beneficiaries of its activity.

The entities part of Medlife Group as at December 31, 2025 and December 31, 2024 are as follows (ownership percentage):

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

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	Retail Pharmacy sales	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 and 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	Timişoara, România	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	Timişoara, România	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.

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 Group 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 Group's accounting policies.

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

Effective 1 January 2025, the Group 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 Group's financial statements, as the Group 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 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 Group's 2025 financial statements, however the Group 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 Group 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 Group's 2025 financial statements, however the Group 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 Group 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 Group 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 Group's 2025 financial statements; however, the Group anticipates that the adoption of these new standards and amendments to existing standards will not have any significant impact on the Group'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 Group 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 Group 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 Group 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 Group 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 Group 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 Group 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 Group 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 Group 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 Group does not expect its adoption to have any impact on the financial statements, as the Group is not a first-time adopter of IFRS.

3. MATERIAL ACCOUNTING POLICIES

The material accounting policies adopted in the preparation of these consolidated financial statements of the Group are set out below.

3.1 Statement of compliance

These consolidated financial statements of the Group 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).
The accounting policies applied in these financial statements are the same as those applied in the Group's annual consolidated 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.

Other aspects – format according to the requirements of the European Securities and Markets Authority ("ESMA")
Due to the technical limitations of the software used for the presentation of the consolidated financial statements in the single European electronic format ("ESEF"), the tables included in the notes to the consolidated financial statements are displayed in a linear, logical and easy to understand manner.

3.2 Basis of preparation

The consolidated financial statements of Medlife Group, hereinafter referred to also as "the Group", are presented in RON ("Romanian Leu"), using the going concern principle. The consolidated 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, as presented in the notes to the financial statements.

3.3 Going Concern

These consolidated financial statements have been prepared on a going concern basis, which assumes the Group will be able to realize its assets and discharge its liabilities in the normal course of business. The Group 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 Group has modelled scenarios reflecting suitable assumptions over the next 12-month period from signing date that serve to inform the decisions the Group takes regarding future cost savings, cash generation, debt covenants and levels of investment. The Group's financial performance to date in 2026 across all revenue streams has been in line with the modelled scenarios.

The net current liabilities position (defined as current liabilities minus current assets), which decreased from RON 317,318,891 during 2024 to RON 182,561,058 during 2025 is temporary, indicative of the Group's strategy to leverage short-term funding for growth opportunities or strategic investments, which is typical in periods of expansion.
The Group had two significant organic projects that were continued in the past two years (Hospitals in Bucharest and Timisoara), and even though they are in different stages of maturity, are already starting to yield tangible benefits. Along with these projects, in July 2025 the inauguration of a new multidisciplinary hyper-clinic took place in Pitesti and in November 2025 a new oncology medical center was opened in Bacau.

In respect of the ongoing war in Ukraine, Medlife Group 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. Medlife Group has not identified any direct exposure to Iran or other significant impacts on its financial position, financial performance or cash flows.

The Group maintains robust cash flow management practices, ensuring liquidity to meet its short-term obligations. Furthermore, the expected evolution of the Group remains favourable, as the decrease in liabilities is well-supported by strong operational performance, efficient working capital management and a healthy pipeline of revenue-generating activities. Based on current financial projections and market conditions, along with the cash-flow projections, there are no indications of solvency issues or risks to the Group's ability to continue as a going concern. Therefore, the financial outlook remains positive and the Group is well-positioned to meet its obligations without encountering any difficulties.

Following the increase in the syndicated loan facility signed on 25 March 2025, the Group secured access to an additional facility of EUR 50 million, of which a portion has been utilized during 2025, while the remaining amount continues to be available for future drawdowns. Together with the Group'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 Group'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 Group's current financial position and the modelled scenarios, the directors have concluded that the Group has sufficient liquidity to meet all its obligations for at least the twelve months from the date of this report and the directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

3.4 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Parent Company (Med Life S.A.) and entities controlled by the Company (its subsidiaries).

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns. Generally, there is a presumption that a majority of voting rights results in control.

To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the group's accounting policies.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

All intra-group assets and liabilities, equity, income, expenses and cashflows related to transactions between members of the Group are eliminated in full on consolidation. Non-controlling interests in subsidiaries are identified separately from the Group's equity therein.

The interests of non-controlling shareholders are initially measured at the non-controlling interests' proportionate share of the fair value of the acquired company's identifiable net assets.

Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

3.5 Business combinations

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 Group in exchange for control of the acquiree.

The Group 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.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. These interests of non-controlling shareholders are initially measured at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Goodwill is initially measured at cost, being the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, 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 Group 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, the amount of any non-controlling interests in the acquiree 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 Group 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.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of 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 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.

3.6 Significant judgements, estimates and assumptions

The preparation of the consolidated 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.

3.6.1. Judgements

In the process of applying the Group'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 – Group as a lessee

Medlife Group 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 Group has lease contracts which include extension and termination options.

The Group 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 Group 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 Group is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate).
- Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.
- If the Group 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 Group 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.

Separate performance obligations for stem cells contracts

In case of revenues obtained from stem cells processing and storage, the Group considers whether there are two promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. Therefore, the Group has identified two separate performance obligations of a multi-component business: the processing of stem cells and the storage of cell deposits, and allocates the part of the total transaction price corresponding to the storage component on a cost plus basis, with the remaining consideration being allocated to the processing component.

Intangible assets with definite or indefinite useful life

The Group's management normally uses judgement to assess whether its intangible assets have a definite or indefinite life and revises periodically this estimate.

The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

This assessment is made based on the way management continues to generate benefits from these assets and an important trigger for a change from indefinite to definite useful life includes the large number of business acquisitions, specific to Medlife Group in the recent years, followed by the most recent merger projects between subsidiaries, which indicated that trademarks allocated to a specific GCGU or CGU will most likely generate net cash flows for a limited period of time. Starting with 2024, the Group decided to allocate a definite useful life for trademarks, which initially had an indefinite useful life.

Cash generating units (CGUs) or Group of CGUs (GCGUs)

Management exercises judgement in determining the appropriate level of grouping assets into CGUs, based on the fact that they share significant common infrastructure.

Starting with 2024, there are 6 GCGUs included in the valuation process, as the design and management of the Group's operations is no longer determined based on the legal structure of the group, instead being influenced by the operational structure and the way in which management monitors its investment efforts and expected financial results.

Management has considered that this change related to the number of existing GCGUs is more appropriate, taking into account the changes in Group's operations, with different utilisation of assets in undertaking the activities. Triggers for the change in which Goodwill is monitored at Group level include: the recent business combinations, specific to Group Medlife in the recent years, with merger projects implemented during 2024 and entry to or exit from new markets or regions, also specific to Group Medlife in the recent years. The Group's strategy focuses on strengthening its presence in large cities, with over 150,000 inhabitants, through the Company brand network, but also in medium and small cities through the Sfanta Maria brand, considering the large number of acquisitions in recent years. During 2025, a new GCGU has been added, the Moldova Healthcare Network, following the same judgement as above.

Management considers that **the network approach by country is more relevant and aligned** with the current Group's strategy, which aims to continue its expansion in Central and South-Eastern Europe, and that will create consistency in identification of GCGUs as the Group will penetrate other EU countries in the near future.

Control over subsidiaries
The Group assesses whether or not it has control over the acquired companies based on whether it has the practical ability to direct the relevant activities of the targets, immediately after acquisition. Please see note 27.
In relation with MNT companies (or Group Neolife, consisting of MNT Healthcare and MNT Asset Management), where 50% of the voting rights were acquired, the Group has established to have control over them. Considering the 50:50 shareholding structure, the Board of Directors structure, where the Group nominates 3 members out of 5 while MNT nominates only 2 members out of 5 and that the ratio will be preserved within each period, together with the responsibilities set for decision making process and execution of responsibilities, the Group has concluded that it has power over the investee.
In respect of exposure, or rights, to variable returns from its involvement with MNT, Group Medlife has a 50% share to the returns in the Subsidiary, in line with Articles of Incorporation.

In respect of the ability to use its power over the investee to affect the amount of the investor's returns, according to Articles of Incorporation, the Board of directors (which is controlled by the Company given the 3-2 ratio) is in charge with the preparation and approval of the budget and business plan, including investment strategy. In 2022, investment in 3 new centers was drafted and approved. Reinvestment of profit, together with Banks financing were also approved by the Board of Directors. During 2023, 2 new medical centers were opened in July, following the directions set out in the previous approved business plan. In November 2025, a new Neolife medical center was opened in Bacau, which provides access to modern and integrated oncology services for patients.

3.6.2. 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 Group based its assumptions and estimates on parameters available when the consolidated 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 Group. Such changes are reflected in the assumptions when they occur.

Revaluation of Land and Buildings
The Group 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 Group 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 consolidated 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 Group 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.
Part of the items related to Land and Buildings are included in the group cash-generating units established for the Group and annually tested for impairment as part of the goodwill impairment testing.

Impairment of non-financial assets
The Group bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations 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 Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU and GCGUs 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 indefinite useful lives recognised by the Group, if the case. The key assumptions used to determine the recoverable amount for the different CGUs or GCGUs, including a sensitivity analysis, are disclosed and further explained in notes.

Allowance for expected credit losses of trade receivables and long-term receivables for stem cells processing
The Group recognises lifetime expected credit losses (ECL) for trade receivables and long-term receivables for stem cells processing. In the case of trade receivables, the expected credit losses are estimated using a provision matrix based on the Group'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.

In the case of long-term receivables for stem cells processing, the Group recognises an allowance based on the loss rate assigned for the established buckets, which reflect the credit risk characteristics of the stem cells receivables, as the payments are usually due in several years. The allowance represents the Group's best estimate of the losses inherent in the receivables portfolio as of the reporting date. Please see note 3.13.1. and 5.3. for more details.

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.

3.7 Foreign currency and translation

Functional and presentation currency
These consolidated financial statements are presented in Romanian Leu ("RON"), which is the currency of the primary economic environment in which almost all of the Group's companies operate (their "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 MDL 1 (December 31, 2024: RON 0.2576 for MDL 1), respectively 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 EUR 1), RON 0.2573 for MDL 1 (12-month 2024: RON 0.2584 for MDL 1), 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 the rates of exchange valid at the reporting date. The foreign exchange differences arising from these conversions are recognised as other financial income/expense in the income statement.

Translation of foreign operations
For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at the exchange rates prevailing at the reporting date. Income and expense items are translated at the average exchange rates for the period. Foreign exchange differences arising from the translation are recognised in comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is reclassified to profit or loss.

3.8 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 consolidated 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 market value of the assets: analysis of assets subject to valuation; the evaluation approaches were based on the category of assets analysed, their location, their characteristics, specific market information; and 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 Group 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, 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 Group. 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, including spare parts	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.

3.9 Intangible assets

Intangible assets acquired separately are measured at initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. 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.

The Group's intangible assets are represented by software licenses, concessions, patents and other intangibles which are amortized straight-line over a period of 3 years.
Additionally, the Group has trademarks, customer lists and customers advantages with finite useful lives acquired as part of business combinations that are further presented under Note 5.2, which are also amortised on a straight-line basis.

The Group allocated the following useful lives for:

	Years
Customer lists	10 years
Contract advantages	5 years
Trademarks	definite useful life of 3 to 20 years
Other intangibles	average period of 3 years

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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, and are recognized in profit or loss when the asset is derecognized.

Impairment of non-financial assets

At the end of each reporting period, the Group 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 Group 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 group 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 Group bases its impairment calculation on most recent budgets and forecast calculations. These budgets and forecast calculations 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 or group cash-generating units) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit or group cash-generating units) 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.

For assets excluding goodwill, 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 Group estimates the asset's 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.

3.10 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 group applies FIFO ("first in, first out", meaning that oldest items purchased are assumed to be sold or used first) as a costing method.

3.11 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 mainly with maturities of three months or less. For deposits at banks held with a maturity higher than there months, the Group 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.

3.12 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 Group has chosen to present grants related to income to be deducted in reporting the related expense.

The Group has elected to present government grants relating to the purchase of property, plant and equipment in the consolidated 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.

3.13 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.

3.13.1 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 Group'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 Group 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 Revenue from contracts with customers recognition.

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 Group 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 rate (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 other than purchased or originated credit-impaired 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 Group's financial assets at amortised cost includes mainly the following: trade receivables and other receivables. These assets are short-term in nature, which is why they are recognised at nominal amounts without discounting.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The contractual rights to receive cash flows from the asset have expired or
- The Group 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 Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group 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 Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group 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 Group 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 Group could be required to repay.

Impairment
The Group 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 Group 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 Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group 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 Group'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 Group'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 Group 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 Group considers a fully impairment adjustment for financial assets overdue more than 5 years, where collection actions are no longer performed.

3.13.2 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 Group 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 Group'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 Group has not designated any financial liability as at fair value through profit or loss.

This is the category most relevant to the Group 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 Group 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 consolidated 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.

3.14 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.

3.15 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 consolidated 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 Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax
Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated 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 Group 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 Group 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 recovered. 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.

3.16 Share capital
Ordinary shares are classified as equity. The Group 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.

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

3.18 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 Group recorded share premiums as a result of the issue of shares.

3.19 Reserves

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 Group presents land and buildings at fair value in the consolidated 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 at a company's level net profit. The legal reserve is established to cover potential future liabilities and to strengthen the financial position of a company.
The legal reserve is computed as a specified percentage of net profit, 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.
For the purposes of consolidated financial statements, the legal reserve is preserved from each subsidiary and it is presented within equity in the statement of financial position, separately from retained earnings. Any changes to the legal reserve are disclosed in the statement of changes in equity, along with an explanation of the nature and reason for the change.

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 3.22) 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.

3.20 Provisions

Provisions are recognized when the Group 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 Group 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 Group revises its estimate to equal the accumulated leave that ultimately vested.

3.21 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 Group expects to be entitled in exchange for those goods or services. The Group 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. Another part of the business in close relationship with the medical act is the delivery of goods (mainly generic medicines) under contractual conditions.

Group's core activities

The Group's core activities are conducted through six main business lines (clinics, stomatology, hospitals, laboratories, pharmacies and corporate), providing a well-balanced business portfolio that covers all key layers of the private medical services market.

The Group'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 Group's activities. However, the National Health Insurance House is considered to be one major customer that goes across multiple sectors such as: clinics, hospitals, laboratories and pharmacies, and from which the Group 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 Group 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 Group's performance as the Group performs.

Nature and timing of satisfaction of performance obligations	**Recognition policy**
Revenues from Clinics business line The core of the Group'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 Stomatology business line The Group's Dentistry business line offers a full range of services, ranging from medical examinations to surgery, implants or orthodontic services. Stomatology business line is not subject to NHIH allocations. All of the sales are fee for service ("FFS") based.	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 Group 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 Group 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 Group 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 Pharmacies business line This business line refers to the delivery of goods (mainly generic medicines) to customers. Revenues are captured from the existing patient traffic in the Group's clinics and hospitals, as the pharmacies are located in the Group's own units, where the space, authorization and sales option allow and also in the proximity of these units.	The revenues are recognized at a point in time, when the goods are transferred to the clients.
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 Group's clinics and as well as specified laboratory tests and imaging services.	The revenue is recognized over time, on a stand-ready approach. The Group 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 Group uses a straight-line measure of progress over the period during which the customer has the right to such services.
Revenues from Others business line 1. Revenues obtained as a result of <u>distribution of generic medicine</u> from large producers to a list of pharmacies 2. Revenues obtained through <u>wellness services (</u>subscription basis) 3. Revenues obtained as a result of the <u>processing and storage of cell deposits</u> Stem Cells Bank SA (SCB), subsidiary of Group Medlife, has as core business the collection, preparation, cryopreservation and storage of stem cells from umbilical cord blood and tissue. The processing and storage of cell deposits are separate performance obligations of a multi-component business. 4. Other types of revenues	Distribution: when the goods are transferred to the pharmacies, at a point in time. Wellness: over time, on a stand-ready approach, similar to corporate revenues. Stem cells: The Group generates revenues from processing and storing the cord blood and tissue units collected from new-borns upon childbirth. The Group has identified two performance obligations: 1)Processing of stem cells – satisfied at a point in time (at child birth); 2)Storage of stem cells – satisfied over a period of time (i.e. 20 years).

Presence of a financing component
In case of prepayment for several years, the Group receives one single prepayment for both the processing and cell deposit storage from the customer. In view of the nature of the service provided, the payment terms offered by the Group are determined for reasons other than the provision of financing to the customer. Therefore, the Group considers that these advance payments do not include a financing component.

The Group also offers annual payment contracts with a minimum contract term of several years. Transaction price for this contract is determined taking into account all payments to be made by the customer during the contract period. In these cases, the payment received from the customer at the beginning of the contract is below the production cost of the service obligations "processing and storage of a cell deposit". Both processing and storage of cell deposits are separate performance obligations of a multi-component business. Therefore, management has assessed and concluded that there is no financing component for these contracts, based on the fact that the storage of the cells is equally important as the cells itself for the patients and the deferred payment may serve as a guarantee that the Group will be ready to provide the storage service until the end of the contracts. Another reason is that the difference between the promised consideration and the cash selling price is aimed to cover for the higher administration costs incurred with such contracts and does not take into account the changing value of money in time.

The difference between the promised consideration and the cash selling price is a business strategy to account for the costs of managing more complex transactions. This difference is mainly to recover the administrative costs incurred on the time lifespan of the contract.

Principal versus agent considerations
The Group has concluded that they are the principal in all of their revenue arrangements since they are the primary obligor in all the revenue arrangements, have pricing latitude and are also exposed to inventory, in the case of medicines sold.

Contract assets and liabilities
A contract asset (accrued income) is the right to consideration in exchange for services transferred to the customer. Where the Group 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 Group Consolidated Statement of Financial Position 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 Group has received consideration from the customer. Where the customer pays consideration before the Group 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 Group performs under the contract. Contract liabilities are presented within trade and other payables (Note 10) on the Consolidated Statement of Financial Position.

Using the practical expedient in IFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised service to the customer and when the customer pays for that service will be one year or less. The majority of contracts are under one year. In case of processing and storage contracts for stem cells, for which payments are due over several years, management has concluded that there is no financing component within these contracts – please refer to paragraphs discussed at Presence of a financing component.

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

3.22 Employee benefits

Employee benefits
The Group, 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 Group are members of the Romanian State pension plan. The Group does not operate any other pension scheme.

Bonus schemes
The Group 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 Group 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 Group'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 Group level.

At each reporting date, the Group 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 3.19).

3.23 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 Group and information presentation criteria require determination of the fair value both for the assets and the liabilities of the Group. In determining the fair value of assets and liabilities, the Group 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 Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group 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 Group 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.

Further information about the assumptions made in measuring fair values is included in the Note 4, Note 5.1 and Note 5.2.

3.24 Segment information

The Group has identified six core business lines, which comprise the following major categories: clinics, stomatology, hospitals, laboratories, pharmacies 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 Group'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 Medlife Group) 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 Group 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, stomatology, hospitals, laboratories and corporate, including the processing and storage services for stem cells.

The Group generates most of all revenues for all areas of activity in Romania, with only a small share of revenues (below 1%) being generated from operations held in Hungary. Starting with 2025, a new acquisition has been completed in Moldova, the share of revenues being below 1% if compared with total results. Although there are locations in different countries, the executive management assumes that the resulting differences in the billing logic do not entail any material different opportunities and risks and these therefore do not conflict with aggregating the healthcare services into one single segment.
The other business lines (i.e. sale of pharmaceutical products or distribution of generic medicine, wellness services), which are further included in the business line named "pharmacies" or "other" (i.e. distribution of medicine, wellness services), either do not meet the definition of an operating segment or do not exceed, individually and in total, the quantitative thresholds set in IFRS 8 in order to qualify as a reportable segment.

3.25 IFRS 16 - Leases

Given its large and complex operations, the Group 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 Group has into further managing its asset portfolio.

The management has evaluated its options for early termination as well as the existence of the Group'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 Group 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 Group's 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 Group - 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;
- 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 Group is reasonably certain to exercise that option;
- Payments of penalties for terminating the lease, if the lease term reflects the Group 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 Group 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 Group 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 Group 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 consolidated statement of financial position.

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

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

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

3.26 Basic and Diluted Earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Group, excluding any costs of servicing equity other than ordinary shares;
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

Diluted earnings per share takes into account the potential dilutive effects of share based payment schemes that could potentially be converted into ordinary shares.

4. GOODWILL

The Group records goodwill resulting from business combinations. Please see below the goodwill recorded as of December 31, 2025 and December 31, 2024 (carrying amount):

Group Cash Generating Unit (GCGUs)	31 December 2025	31 December 2024
Romanian Healthcare Network	432,349,626	420,706,431
Hungarian Healthcare Network	19,544,433	19,544,433
Moldova Healthcare Network	2,463,785	-
Romanian Pharmacy Network	16,912,523	16,912,523
Generale Medicine Wholesale Distribution	10,763,546	10,763,546
Wellness	22,604,609	22,604,609
Online Platform	1,503,438	1,503,438
TOTAL	**506,141,959**	**492,034,979**

Movement in Goodwill

	31 December 2025	31 December 2024
Balance at the beginning of the year	492,034,979	445,395,617
Goodwill recognized during the year	14,106,980	46,639,362
TOTAL	**506,141,959**	**492,034,979**

During the year ended December 31, 2025, the Group obtained control over various companies and recorded an additional goodwill of RON 14,106,980 (December 31, 2024: RON 46,639,362). For further details on business combinations acquired during the year ended December 31, 2025 and the year ended December 31, 2024, please see Note 27. Accumulated impairment over Goodwill amounts to RON 313,506 as of 31 December 2025 (RON 313,506 as of 31 December 2024).

For the purpose of impairment testing, goodwill is allocated to the Group of Cash generating units (GCGU) which is expected to benefit from the synergies of the business combination. Management conducts impairment tests on an annual basis or whenever there is an indication of impairment to assess the recoverability of the carrying value of goodwill, at each individual level of the GCGU. Assets with indefinite useful life within a GCGU or CGU are annually tested as part of the impairment testing model. No impaired goodwill was identified in this context.

Starting with 2024, there are 6 GCGUs included in the valuation process, as the design and management of the Group's operations is no longer determined based on the legal structure of the group, instead being influenced by the operational structure and the way in which management monitors its investment efforts and expected financial results. In 2025, there was added another GCGU, following the acquisition of All Clinic company in Republic of Moldova, reaching a total number of 7 GCGUs. The network approach by country is more relevant and aligned with the current Group's strategy, which aims to continue its expansion in Central and South-Eastern Europe, and that will create consistency in identification of GCGUs as the Group will penetrate other EU countries in the near future.

The recoverable amount is based on fair value less cost of disposal (FVLCOD) of the underlying assets of the GCGU. The discounted future Cash flows of the GCGUs, 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 GCGUs under current conditions.

After the six-year time period, a perpetuity value is calculated using a conservative Group-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:

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

GCGU / CGU	Discount rate used in 2025	Discount rate used in 2024
Romanian Healthcare Network	10.5%	11.6%
Hungarian Healthcare Network	12.3%	13.4%
Online Platform	23.0%	24.0%
Generale Medicine Wholesale Distribution	10.9%	10.6%
Romanian Pharmacy Network	11.0%	8.6%
Wellness	12.6%	12.2%
Moldova Healthcare Network	20.4%	Not applicable

GCGU / CGU	Sales annual growth (for current projections)	Sales annual growth (for prior year projections)
Romanian Healthcare Network	blended average rate 9%	blended average rate 11%
Hungarian Healthcare Network	blended average rate 12%	blended average rate 12%
Online Platform	blended average rate 20%	blended average rate 20%
Generale Medicine Wholesale Distribution	blended average rate 10%	blended average rate 10%
Romanian Pharmacy Network	blended average rate 9%	blended average rate 8%
Wellness	blended average rate 24%	blended average rate 46%
Moldova Healthcare Network	blended average rate 20%	Not applicable

GCGU / CGU	Long-term growth rate used in 2025	Long-term growth rate used in 2024
Applicable for all	2.5%	2.5%

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 each GCGU 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 every GCGU. WACC (weighted average cost of capital) is used to estimate the rate.

The discount rate is independent of the Group's capital structure and how the Group financed the purchase of the asset, because future cash flows expected to arise from an asset do not depend on how the Group financed the purchase of that asset. In the case of GCGUs subject to the impairment test, the discount rates considered are higher than the average industry level data in emerging European countries to take into account country risk, currency risk, and GCGU's size. On average, depending on the particularities of each CGU, the discount rate varies between 10.5% and 23%, depending on the specific risks associated with each GCGU.
Estimates of future cash flow management are based on the most recent 6-year forecasts (2026-2031).
The estimation of the terminal value was made based on the hypothesis of continuing the activity. The final value is given by the capitalization of the available cash flow with the capitalization rate which has in view a perpetual increase in close relation with the GDP growth and inflation forecast for Romania.

The analysis of the results shows that for the GCGUs subject to the impairment test, the related recoverable amount is higher than their net book value and, therefore, there will be no impairment of goodwill recorded. At an aggregated level for all 7 GCGUs under analysis, the recoverable amount is RON 6.2 bn, while the net book value is RON 2.0 bn.

The sensitivity analysis was performed according to the changes of the main factors: WACC discount rate plus 2 percent, operating margin decrease with 20 percent and perpetual growth rate decrease with 1 percent. In performing the sensitivity analysis, except for the online platform cash generating unit, an increase in WACC of 2 percent would give rise to a reduction in the Group-wide surplus with 20%, namely a decrease from RON 6.2 bn to RON 4.9 bn in the recoverable amount compared to a net book value of RON 2.0 bn. Except for the online platform cash generating unit, a decrease in the operating margin of 20 percent would give rise to a reduction in the Group-wide surplus with 26%, namely a decrease from RON 6.2 bn to RON 4.6 bn in the recoverable amount compared to a net book value of RON 2.0 bn. Except for the online platform cash generating unit, a decrease with 1 percentage point in the perpetual growth rate would give rise to a reduction in the Group-wide surplus with 8%, namely a decrease from RON 6.2 bn to RON 5.7 bn in the recoverable amount compared to a net book value of RON 2.0 bn.

For the online platform cash generating unit, an increase in WACC of 2 percent would give rise to a goodwill impairment of 0.4 million RON, a decrease in the operating margin of 20 percent would give rise to a goodwill impairment of 1 million RON and a decrease of 1 percentage point in the perpetual growth rate would not give rise to a goodwill impairment.

There is no reasonable scenario in which a change in the key assumptions above will potentially drive the recoverable amount to equal the carrying amount of the GCGU or CGU as of 31 December 2025, considering the sufficient existing headroom between them.

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. The associated business plans have incorporated an important CAPEX component, in line with the investment development plans and strategy of the Group, moving forward. No goodwill impairment is expected in the future.

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, except for the increase in the number of the GCGUs considered in testing.

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

5. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

5.1 PROPERTY, PLANT AND EQUIPMENT

As of December 31, 2025 the Group's property, plant and equipment structure was the following.
For details regarding additions from business combinations – please see further details in Note 27.

	Land and Buildings	Leasehold improvements	Vehicles and equipment	Construction in progress	Total fixed assets
31 December 2024	**426,848,829**	**326,195,708**	**1,142,408,436**	**73,177,240**	**1,968,630,211**
Additions	7,563,627	3,459,610	181,922,521	80,516,066	273,461,824
Transfers	48,487,259	67,307,738	36,797,666	(153,486,072)	(893,409)
Disposals	(790,255)	(1,115,916)	(10,401,637)	(259,774)	(12,567,582)
Additions from business combinations	-	137,678	5,594,317	-	5,731,995
Reclassifications during the year	40,315,918	(44,653,473)	(60,995,421)	42,958,171	(22,374,805)
Disposals from business combinations	-	-	-	-	-
Revaluation impact (accumulated depreciation and impairment eliminated against cost)	(32,186,278)	-	-	-	(32,186,278)
Revaluation impact recognised in OCI	61,769,414	-	-	-	61,769,414
Impairment arising from revaluation, impact recognised in the consolidated statement of profit and loss	(171,340)	-	-	-	(171,340)
Gain from revaluation recognized in profit or loss	634,653	-	-	-	634,653
31 December 2025	**552,471,828**	**351,331,344**	**1,295,325,883**	**42,905,629**	**2,242,034,682**

	Land and Buildings	Leasehold improvements	Vehicles and equipment	Construction in progress	Total fixed assets
Depreciation					
31 December 2024	**13,150,188**	**105,357,098**	**546,153,073**	**-**	**664,660,359**
Charge of the year	10,462,540	21,869,544	122,333,379	-	154,665,463
Disposals	-	(203,060)	11,132,414	-	10,929,354
Additions from business combinations	-	-	-	-	-
Reclassifications during the year	8,573,551	(8,573,551)	(22,374,806)	-	(22,374,805)
Disposals from business combinations	-	-	-	-	-
Revaluation	(32,186,278)	-	-	-	(32,186,278)
31 December 2025	**-**	**118,450,031**	**657,244,060**	**-**	**775,694,092**
Net Book Value					
31 December 2024	**413,698,641**	**220,838,609**	**596,255,363**	**73,177,240**	**1,303,969,852**
31 December 2025	**552,471,828**	**232,881,312**	**638,081,822**	**42,905,629**	**1,466,340,590**

As at 31 December 2025, upon revaluation, in order to avoid the selective revaluation of asset categories, the Group reclassified property, plant and equipment between categories with a gross carrying amount of RON 22,374,805 and accumulated depreciation of RON 22,374,805, resulting in no impact on the net carrying amount.
During the financial year ended 31 December 2025, the Group has transferred intangible assets under development in the amount of RON 893,409 (2024: RON 1,041,893) to intangible assets – please refer to Note 5.2.

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

As of December 31, 2024 the Group's property, plant and equipment structure was the following:

	Land and Buildings	Leasehold improvements	Vehicles and equipment	Construction in progress	Total fixed assets
31 December 2023	**418,211,423**	**200,068,988**	**886,977,515**	**125,261,031**	**1,630,518,957**
	-	-	-	-	-
Additions	195,605	2,999,025	192,852,540	108,744,691	304,791,861
Transfers	6,361,503	113,065,149	40,353,977	(160,822,522)	(1,041,893)
Disposals	-	(9,225)	(7,862,323)	(5,961)	(7,877,509)
Additions from business combinations	2,080,298	10,071,771	30,086,727	-	42,238,796
31 December 2024	**426,848,829**	**326,195,708**	**1,142,408,436**	**73,177,240**	**1,968,630,212**

	Land and Buildings	Leasehold improvements	Vehicles and equipment	Construction in progress	Total fixed assets
Depreciation					
31 December 2023	**7,891,882**	**85,383,505**	**436,228,456**	**-**	**529,503,843**
Charge of the year	5,258,306	19,973,593	115,152,158	-	140,384,057
Disposals	-	-	(5,605,412)	-	(5,605,412)
Impairment (as a result of merger projects)	-	-	377,870	-	377,870
31 December 2024	**13,150,188**	**105,357,098**	**546,153,073**	**-**	**664,660,359**
Net Book Value					
31 December 2023	**410,319,541**	**114,685,483**	**450,749,059**	**125,261,031**	**1,101,015,114**
31 December 2024	**413,698,641**	**220,838,609**	**596,255,363**	**73,177,240**	**1,303,969,853**

5.1. Land and buildings carried at fair value

The value of land and buildings of the Group 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 Group's freehold land and buildings as at 31 December 2025 were performed by independent valuers not related to the Group. 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 61,769,415. The difference was recorded in the revaluation reserve in the amount of RON 51,851,108 as a surplus (please refer to Note 17) and on the Non-controlling interest side in the amount of RON 9,918,307 (please refer to Note 18).
In the consolidated statement of profit or loss the overall positive impact registered is of RON 463,313, which comprise a gain of RON 634,653 and an impairment expense of RON 171,340, 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 analysing 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 Arad, ranging from EUR 109 to EUR 190 / sqm; for Bacau, ranging from EUR 265 to EUR 526 / sqm; for Baia Mare, ranging from EUR 247 to EUR 463 / sqm; for Brasov, ranging from EUR 200 to EUR 880 / sqm; for Bucharest, ranging from EUR 654 to EUR 1,905 / sqm; for Constanta, ranging from EUR 543 to EUR 777 / sqm; for Craiova, ranging from EUR 196 to EUR 836 / 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 1,992,577.

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

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 2,438,976 in the fair value of the buildings.
In order to provide an indication about the reliability of the inputs used in determining fair value, the Group 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 3.23.
Details of the Group'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	-	-	552,471,828

31 December 2024	**Level 1**	**Level 2**	**Level 3**
Land and Buildings	-	-	415,917,021

*The amount of RON 415,917,021 is in accordance with the Valuation Reports prepared as of 31 December 2022.

If the Land and Buildings of the Group had been valued at historical cost, their book value would have been the one presented below:

Carrying amount without revaluation	**31 December 2025**	**31 December 2024**
Land	71,548,419	64,745,957
Buildings	250,139,035	163,990,029
TOTAL	**321,687,454**	**228,735,986**

Part of the items related to Land and Buildings are included in the group cash-generating units established for the Group and annually tested for impairment as part of the goodwill impairment testing, please refer to Note 4 for more details. For the carrying value of property, plant and equipment pledged to secure the borrowings please refer to Note 14.

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

5.2. Intangible assets

As of December 31, 2025 the Group's intangible assets' structure was the following:

	Customer List	*Contract Advantages*	*Trademarks*	*Other intangibles*	*Total*
1 January 2025	17,697,120	21,466,035	62,401,347	145,340,829	246,905,331
Additions	-	-	-	24,368,731	24,368,731
Transfers	-	-	-	893,410	893,410
Disposals	-	-	-	(3,397,054)	(3,397,054)
Additions from business combinations	-	-	919,000	4,500	923,500
31 December 2025	17,697,120	21,466,035	63,320,347	167,210,416	269,693,918

	Customer List	*Contract Advantages*	*Trademarks*	*Other intangibles*	*Total*
Depreciation					
1 January 2025	7,492,040	9,443,398	6,700,614	102,294,460	125,930,511
Charge of the year	1,463,878	3,054,832	4,175,725	19,911,872	28,606,306
Disposals	-	-	-	(455,084)	(455,084)
Impairment (as a result of merger projects)	-	-	68,833	-	68,833
31 December 2025	8,955,917	12,498,230	10,945,172	121,751,247	154,150,567
Net Book Value					
1 January 2025	10,205,080	12,022,637	55,700,733	43,046,369	120,974,820
31 December 2025	8,741,203	8,967,805	52,375,175	45,459,169	115,543,352

As of December 31, 2024 the Group's intangible assets' structure was the following:

	Customer List	*Contract Advantages*	*Trademarks*	*Other intangibles*	*Total*
1 January 2024	17,697,120	21,466,035	58,127,347	124,892,279	222,182,781
Additions	-	-	-	19,418,608	19,418,608
Transfers	-	-	-	1,041,893	1,041,893
Disposals		-	-	(296,637)	(296,637)
Additions from business combinations	-	-	4,274,000	284,686	4,558,686
31 December 2024	17,697,120	21,466,035	62,401,347	145,340,829	246,905,331

	Customer List	*Contract Advantages*	*Trademarks*	*Other intangibles*	*Total*
Depreciation					
1 January 2024	6,028,162	6,388,566	2,643,753	88,216,288	103,276,769
Charge of the year	1,463,878	3,054,832	3,785,861	14,136,223	22,440,793
Disposals	-	-	-	(58,051)	(58,051)
Impairment (as a result of merger projects)	-	-	271,000	-	271,000
31 December 2024	7,492,040	9,443,398	6,700,614	102,294,460	125,930,511
Net Book Value					
1 January 2024	11,668,958	15,077,469	55,483,594	36,675,991	118,906,012
31 December 2024	10,205,080	12,022,637	55,700,733	43,046,369	120,974,820

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date (which is regarded as their cost). The fair value of intangible assets was assessed by an independent appraiser at acquisition date and refer to Customer lists, Contract advantages and Trademarks.

Trademarks

At initial recognition, trademarks resulted from business combinations, used to identify and distinguish the medical services had an indefinite useful life.

Starting with 01 January 2024, the Group has decided to allocate a definite useful life for trademarks, which pertain to a specific GCGU or CGU. An important trigger for this change includes the large number of business acquisitions, specific to Medlife Group in the recent years, followed by the most recent merger projects between subsidiaries, implemented during 2023 and 2024. As a result, the legal changes indicated that trademarks that are allocated to a specific GCGU or CGU, are more probable to generate net cash flows for a limited period of time, in accordance with the management's current strategy and expectations over the brand's use, as the medical activity will be associated and integrated over time under the Group's name.

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

Therefore, the trademarks are now being amortized over a 3 to 20-year period, on a straight-line basis, starting from January 1, 2024 and they are part of the GGCUs which are annually tested for impairment.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss.

As a result of the recently merger projects on Dent Estet Clinic SA and Genesys Medical Clinic SRL during 2024 and transfer of activity from IT Repair SRL to Med Life S.A. during 2025, the Group considers that some of the trademarks will no longer be in use. Therefore, as of 31 December 2025, the Group recognised an impairment for these trademarks covering their value, in the amount of RON 68,833 (31 December 2024: RON 271,000). The total accumulated impairment for these trademarks is RON 2,983,586 as of 31 December 2025 (31 December 2024: RON 2,914,753).

Customer lists and contracts advantages

The Group allocates a definite useful life for both customer lists and contract advantages. Please see note 3.9.
Both recognised Customer lists and Contract advantages arise only upon business combination. Customer lists refer to rights and agreements with customers and represent the ongoing customer relationship, while Contract advantages refer to contracts in place with the National Health Insurance House, which embed a guaranteed reimbursement or payment for the healthcare services provided to patients, thus creating a competitive advantage.

These intangibles are amortised on a straight-line basis.

Other intangibles

All the other intangibles, including those acquired through business combinations, 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 website development that met the capitalization criteria of IAS 38 Intangible assets were capitalised as a new intangible asset, in the amount of RON 2,091,978, 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 10,169,643. 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.

5.3. OTHER FINANCIAL ASSETS

Carrying amount	**December 31, 2025**	**December 31, 2024**
Long-term receivables for stem cells processing	86,164,855	58,514,233
Allowance for doubtful long-term receivables	(5,056,779)	(4,849,262)
Other receivables	697,242	473,440
TOTAL	**81,805,318**	**54,138,411**

Trade receivables of stem cells processing with payments due in more than one year are presented under Other financial assets.
An allowance for expected credit losses was determined for customers, based on the loss rate assigned for the established buckets, which reflect the credit risk characteristics of the stem cells receivables.

6. INVENTORIES

	December 31, 2025	**31 December 2024**
Consumable	101,860,246	97,599,117
Materials in the form of inventory items	2,637,205	2,030,709
Merchandise	48,400,262	49,168,392
TOTAL	**152,897,713**	**148,798,218**

During 2025, an amount of RON 420,853 was recognised as an expense for inventories carried at net realisable value (2024: RON 0).

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

7.1. TRADE RECEIVABLES

	December 31, 2025	December 31, 2024
Trade receivables	357,914,375	370,686,338
Allowance for expected credit losses on receivables	(56,151,673)	(46,579,478)
TOTAL	**301,762,702**	**324,106,860**

Credit risk for Medlife Group 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 maturity period 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.

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 Group is very diverse, there are generally no large concentrations of credit risk.

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

December 31, 2025	Individually assessed	Collectively assessed	Total
Trade Receivables	160,278,745	197,635,630	357,914,375
Allowance for expected credit losses on receivables	(9,521,999)	(46,629,674)	(56,151,673)
Total	**150,756,746**	**151,005,956**	**301,762,702**

December 31, 2024	Individually assessed	Collectively assessed	Total
Trade Receivables	209,261,248	161,425,090	370,686,338
Allowance for expected credit losses on receivables	(10,453,526)	(36,125,952)	(46,579,478)
Total	**198,807,722**	**125,299,138**	**324,106,860**

Individually assessed items include mainly trade receivables from National Health Insurance House for which due to management`s assessment 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 allowance for expected credit losses for individually assessed trade receivables include the value adjustment aforementioned in relation to the Health Insurance House as well as an allowance for certain customers for which management has assessed as having a default rate of 100% and computed an allowance for expected credit losses for the entire amount.

The Group 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 Groups 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 Group's provision matrix was determined as follows:

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

December 31, 2025	Current	<30 days	< 90 days	< 180 days	< 365 days	> 365 days	Total
Expected credit loss rate	0.21%	1.76%	5.04%	16.10%	30.26%	61.65%	
Customers	102,886,237	7,244,239	5,188,132	4,628,958	8,315,356	69,372,706	197,635,630
Allowance for doubtful receivables	(214,002)	(127,586)	(261,510)	(745,124)	(2,516,024)	(42,765,428)	(46,629,674)
TOTAL	**102,672,236**	**7,116,653**	**4,926,622**	**3,883,834**	**5,799,332**	**26,607,278**	**151,005,956**

December 31, 2024	Current	<30 days	< 90 days	<180 days	<365 days	>365 days	Total
Expected credit loss rate	0.20%	3.67%	6.01%	15.00%	25.78%	56.58%	
Trade Receivables	83,207,376	2,974,098	4,354,775	5,903,151	6,706,248	58,279,442	161,425,090
Allowance for expected credit losses on receivables	(163,411)	(109,288)	(261,880)	(885,288)	(1,728,994)	(32,977,091)	(36,125,952)
TOTAL	**83,043,966**	**2,864,810**	**4,092,895**	**5,017,863**	**4,977,254**	**25,302,350**	**125,299,138**

For Trade Receivables in ">365 days" category, the expected credit loss rate of 61.65% 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	**46,579,478**	**39,698,737**
Business combinations	165,998	550,452
Recognised in income statement	7,840,786	6,330,289
Reclassification from provisions	1,565,410	-
As at 31 December	**56,151,673**	**46,579,478**

For the carrying value of trade receivables pledged to secure the borrowings please refer to Note 14.

7.2. OTHER ASSETS

	31 december 2025	31 december 2024
Guarantees paid	13,823,217	12,702,011
Advances paid	21,876,428	21,010,358
Other subsidies received	7,404,735	5,211,846
Other sundry debtors	3,074,922	6,061,454
Other assets	8,557,351	10,894,580
TOTAL	**54,736,653**	**55,880,250**

As at 31 December 2025, other assets amounted to RON 54,736,653 compared to RON 55,880,250 as at 31 December 2024, representing a decrease of RON 1,143,597 year-on-year. The movement is mainly attributable to:

- an increase in advances paid of RON 866,070, reflecting higher prepayments and advances granted in the normal course of operations;
- an increase in guarantees paid of RON 1,121,206;
- an increase in other subsidies receivable of RON 2,192,889, mainly related to government support programs recognized during the year;
- partially offset by a decrease in other sundry debtors of RON 2,986,533; and
- a decrease in other assets of RON 2,337,229 compared with the prior year.

8. CASH AND BANKS

CASH AND BANKS

	December 31, 2025	31 December 2024
Cash in bank	172,083,438	108,385,767
Cash in hand	2,965,100	2,737,542
Cash equivalents	1,129,463	1,684,914
TOTAL	**176,178,001**	**112,808,224**

For the carrying value of the current accounts that are pledged in order to secure the borrowings please refer to Note 14. This pledge represents a security interest that becomes enforceable only in the event of default. The Group retains full access to and control over these accounts in the normal course of business.

9. PREPAYMENTS

As of December 31, 2025 the Group has prepayments in amount of RON 17,313,081 (RON 17,311,896 as of December 31, 2024). The prepayments balance as of December 31, 2025 and December 31, 2024 consists mainly of deferred commissions for financing related to the Syndicated loan for undrawn facilities and other amounts such as insurance policies for professionals and tangible assets.

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

10. TRADE AND OTHER PAYABLES

	December 31, 2025	31 December 2024
Suppliers	392,414,525	411,692,407
Fixed assets suppliers	104,910,057	154,421,059
Advances paid by customers (contract liabilities)	9,726,357	5,438,865
TOTAL	**507,050,939**	**571,552,330**

The balance of the suppliers consist of payables related to the acquisition of consumables, materials and commodities. Fixed assets suppliers consists mainly of payables related to the acquisition of medical equipment.

11. OTHER SHORT TERM LIABILITIES

	31 December 2025	31 December 2024
Salary and related liabilities (including contributions)	45,079,521	36,422,953
Government grants	3,900,053	3,525,315
Deferred revenue	70,598,372	60,415,505
Other sundry creditors	5,789,946	9,108,780
Other liabilities	17,164,673	8,685,242
TOTAL	**142,532,566**	**118,157,796**

Other short term liabilities include the current portion of government grants of RON 3,900,053 (RON 3,525,315 as of December 31, 2024), while the non-current portion is presented as Other long term debt. Government grants have been received for the purchase of certain items of property, plant and equipment. There are no unfulfilled conditions or contingencies attached to these grants. Also, other liabilities include a deferred revenue in the amount of RON 70,598,372 (RON 60,415,505 as of December 31, 2024), which refers mainly to future income in relation with the National Health Programme, in which the Group is involved.
Other liabilities have increased from RON 8,685,242 to RON 17,164,673 as a result of classification of future payments related to business combinations on short term, starting with 31.12.2025.

12. PROVISIONS

	December 31, 2025	December 31, 2024
Carrying amount at start of year	17,409,666	11,116,544
Acquired through business combination	-	1,565,410
Charged/(credited) to profit or loss		
- additional provisions recognised	-	6,555,270
- unused amounts reversed	(3,205,524)	-
Amounts used during the year	(1,918,818)	(1,827,558)
Carrying amount at end of year	**12,285,324**	**17,409,666**

Provision booked as of 31 December 2025 (and 31 December 2024) mainly refers to provision related to untaken holidays, which covers around 91% from total balance.

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

13. LEASES

Leasing facilities refer to buildings, vehicles and medical equipment.

Right-of-use asset	Buildings	Vehicles	Equipment	Total
Cost				
At 31 December 2024	**525,223,406**	**28,910,353**	**147,483,773**	**701,617,532**
Additions	93,869,906	14,057,518	8,446,312	**116,373,735**
Business combinations	2,151,760	252,168	-	**2,403,928**
Decrease	(10,855,790)	(889,602)	(30,850,152)	**(42,595,543)**
Value at 31 December 2025	**610,389,281**	**42,330,437**	**125,079,933**	**777,799,651**
Accumulated depreciation				
At 31 December 2024	**246,423,539**	**21,068,680**	**47,834,979**	**315,327,198**
Charge for the year	79,770,523	5,984,134	16,697,572	**102,452,229**
Decrease	(7,011,700)	(608,719)	(20,566,686)	**(28,187,105)**
Value at 31 December 2025	**319,182,362**	**26,444,095**	**43,965,865**	**389,592,322**
Carrying amount				
At 31 December 2024	**278,799,867**	**7,841,673**	**99,648,794**	**386,290,334**
At 31 December 2025	**291,206,920**	**15,886,342**	**81,114,068**	**388,207,329**

	December 31, 2025	December 31, 2024
Non-current - Lease Liabilities	298,868,179	286,025,347
Current portion – Lease Liabilities	112,051,538	108,288,263
TOTAL	**410,919,717**	**394,313,610**

Amounts recognized in the Statement of Profit or Loss

	12 months ended December 31, 2025	12 months ended December 31, 2024
Depreciation charge of right-of-use assets	102,452,229	91,119,000
Interest expense on lease liabilities for rent contracts that fall under IFRS 16 (included in finance cost)	20,083,588	19,708,123
PL (Gain) from contracts terminated earlier	101,057	362,019
Foreign exchange loss for rent contracts that fall under IFRS 16 in relation with Lease Liabilities	(8,598,662)	(227,113)
Expense relating to short-term leases (included in rent expenses)	1,260,603	1,266,597
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in rent expenses)	3,158,531	2,232,972
Other categories	17,645,997	12,982,228

The total cash outflow for leases amount to RON 125,274,604 (2024: RON 117,074,597) for contracts that fall under IFRS 16 (which refer to rental of buildings, vehicles and equipment), out of which RON 105,191,016 (2024: RON 97,366,474) refer to payments of principal and RON 20,083,588 (2024: RON 19,708,123) refer to payments of interest. For leases relating to short-term contracts or low value assets, the total cash outflow amount to RON 4,419,134 (2024: RON 3,499,569).

Extension and termination options

Extension and termination options are only included in the lease term when the Group has the right to unilaterally extend/terminate and judges that this right is reasonably certain to be exercised. For some of the Group'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 Group 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.

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

14. NET FINANCIAL DEBT

	December 31, 2025	31 decembrie 2024
Current portion of interest bearing loans and borrowings (including overdraft)	110,694,077	156,493,957
Non - current portion of interest bearing loans and borrowings	1,409,725,830	1,135,073,779
TOTAL	**1,520,419,907**	**1,291,567,736**

	December 31, 2025	December 31, 2024
Cash and cash equivalents	176,178,001	112,808,224
Interest bearing loans and borrowings (including overdraft)	1,520,419,907	1,291,567,736
Lease liabilities	410,919,717	394,313,610
Net debt	**1,755,161,623**	**1,573,073,122**
Current debt		
Overdraft	38,485,631	29,076,066
Current portion of lease liability	112,051,538	108,288,263
Current portion of interest bearing loans and borrowings	72,208,446	127,417,891
Long Term Debt		
Lease liability	298,868,179	286,025,347
Long term interest bearing loans and borrowings	1,409,725,830	1,135,073,779

14.1 Credit facilities – Syndicated loan

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 5 Lenders that currently compose the bank syndicate are as follows: BANCA COMERCIALA ROMANA S.A. (Coordinator, Lead Arranger, Documentation Agent, Facility and Guarantee Agent and Financier), Raiffeisen Bank, BRD Groupe Societe Generale, Banca Transilvania, ING Bank N.V. Amsterdam Branch Bucharest (Lead Arrangers and Financiers).

The Group 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 Group'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 31st 2025 is RON 1,456,219,346 (RON 1,129,646,367 as of December 31st 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	1,127,875,209	982,149,692
Accordion Facility	EURIBOR 6M + relevant margin	EUR	2031	100,571,904	-
Facility B	EURIBOR 6M + relevant margin	EUR	2027	72,949,306	51,771,641
Facility B	ROBOR 6M + relevant margin	RON	2027	2,990,000	-
Facility C	EURIBOR 6M + relevant margin	EUR	2031	151,832,927	73,558,630
Facility D	EURIBOR 6M + relevant margin	EUR	2031	-	22,166,404
Total				1,456,219,346	1,129,646,367

Facility B includes a roll-over option.
As at December 31, 2025 none of the Group members was in breach of any applicable term of the financing facilities.

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

14.2 Credit facilities – Outside syndicated loan

In addition to the syndicated loan agreement, the Group has also contracted several bilateral credit agreements with various financial institutions. These bilateral facilities are presented separately from the syndicated structure and are summarized in the table below:

Company	Interest Rate	Currency	BANK	Year of Maturity	Total Loans as of December 31st, 2025	Total Loans as of December 31st, 2024
Clinica Polisano SRL	ROBOR 3M + relevant margin	RON	CEC Bank	2033	11,676,571	13,287,133
Ghencea Medical Center SA (absorbed by SC Anima Specialty Medical Service SRL)	ROBOR 6M + relevant margin	RON	Banca Transilvania	2028	255,350	343,515
Dent Estet Ploiesti SRL	ROBOR 3M + relevant margin	RON	Banca Transilvania	2028	1,118,651	1,513,502
Pro Life Clinics	ROBOR 3M + relevant margin	RON	Banca Transilvania	2031	2,310,000	-
Centrul de Diagnostic si Tratament Provita	EURIBOR 3M + relevant margin	EUR	BCR Leasing IFN S.A.	2030	769,954	-
Provita Pain Clinic SA	EURIBOR 3M + relevant margin	EUR	BCR Leasing IFN S.A.	2028	344,810	438,743
Euromedica Hospital SA	ROBOR 6M + relevant margin	RON	Banca Transilvania	2028	886,089	1,194,288
Centrul Medical Antares SRL	ROBOR 3M + relevant margin	RON	Libra Bank	2027	123,999	729,389
Micromedica Roman SRL	ROBOR 6M + relevant margin	RON	Banca Transilvania	2025	-	210,263
Centrul Medical Micromedica SRL	ROBOR 6M + relevant margin	RON	Banca Transilvania	2025	-	95,419
Pro Life Clinics SRL	ROBOR 3M + relevant margin	RON	Banca Transilvania	2031	-	1,075,695
Medical City Blue SRL	EURIBOR 3M + relevant margin	EUR	Banca Transilvania	2029	-	282,514
Centrul de Diagnostic si Tratament Provita	EURIBOR 6M + relevant margin	EUR	Banca Transilvania	2032	-	103,743,252
Policlinica Union SRL	ROBOR 3M + relevant margin	RON	Libra Bank	2026	-	59,655
Onco Team Diagnostic SRL	ROBOR 6M + relevant margin	RON	Banca Transilvania	2025	-	64,262
Personal Genetics SRL	fixed interest rate + relevant margin	RON	Banca Transilvania	*overdraft*	-	689,371
Provita Pain Clinic SA	ROBOR 6M + relevant margin	RON	Banca Transilvania	*overdraft*	209,236	-
Laborator Cuza Voda SRL	ROBOR 6M + relevant margin	RON	Banca Transilvania	*overdraft*	1,463,395	-
SC Med Life SA	EURIBOR 1M + relevant margin	EUR	Garanti Bank	*overdraft*	10,197,000	9,948,200
SC Prima Medical SRL	fixed interest rate + relevant margin	RON	Unicredit Bank	*overdraft*	800,000	800,000
Clinica Polisano SRL	ROBOR 3M + relevant margin	RON	CEC Bank	*overdraft*	18,967,396	8,491,416
Pharmachem Distributie SA	ROBOR 3M + relevant margin	RON	Banca Transilvania	*overdraft*	5,551,428	5,775,645
Routine Med SA	ROBOR 3M + relevant margin	RON	Banca Transilvania	*overdraft*	1,297,176	-
Medical City Blue SRL	ROBOR 3M + relevant margin	RON	Banca Transilvania	*overdraft*	-	500,000
Centrul de Diagnostic si Tratament Provita	ROBOR 3M + relevant margin	RON	Banca Transilvania	*overdraft*	-	2,871,435
Total					**55,971,055**	**152,113,696**

Centrul de Diagnostic si Tratament Provita SRL has refinanced its former exposure into the syndicated loan.

The amounts presented above in the tables as total borrowings represent the principal portion of the loans. As of 31 December 2025, the outstanding interest balance amounts to 8,229,506 (compared to 9,807,673 as of 31 December 2024).

14.3 Guarantees

In relation to loans (both in Syndicated Loan & Other Loans), the Group has pledged the following:

Loan Type	Property, plant & Equipment	Current accounts	Inventories	Anuual contractual values	Receivables	Shares
Syndicated Loan	662,248,468	60,626,490	-	239,723,093	-	non - monetary
Other loans	26,492,097	525,910	25,437,268	-	9,463,134	non - monetary
Total	**688,740,565**	**61,152,400**	**25,437,268**	**239,723,093**	**9,463,134**	non-monetary

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

14.4 Reconciliation of cash and non-cash movements of loans payable and lease liabilities

	Liabilities from financing activities			
	Borrowings	**Leases**	**Overdraft**	**Total**
Financial Debt as at 31 December 2024	**1,262,491,670**	**394,313,610**	**29,076,066**	**1,685,881,346**
Cash movements				
Cash flows net related to principal	184,210,786	(105,191,016)	7,927,830	**86,947,600**
Payments of interest	(60,692,084)	(20,083,588)	(1,921,540)	**(82,697,212)**
Non-cash movements				
New leases	-	111,907,136	-	**111,907,136**
Foreign exchange adjustments	33,844,558	9,987,136	248,800	**44,080,494**
Business combinations	-	2,318,325	2,011,910	**4,330,235**
Other changes (non-cash movements)	62,079,346	17,668,114	1,142,565	**80,890,025**
Financial Debt as at 31 December 2025	**1,481,934,276**	**410,919,717**	**38,485,631**	**1,931,339,624**

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

15. SHARE CAPITAL AND SHARE PREMIUM

The issued share capital in nominal terms consists of 531,481,968 ordinary shares as at 31 December 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 Group reacquired own equity instruments (treasury shares) in a total amount of RON 1,466,325 (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. 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 Group to transfer free of charge the shares to its employees under the share-based payment programme (please see Notes 3.19 and 3.22) or released to minority shareholders from subsidiaries in exchange for their shares.

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

16. EARNINGS PER SHARE

Basic and diluted earnings per share

	December 31, 2025	December 31, 2024
Total basic and diluted earnings per share attributable to the ordinary equity holders of the company	0.021	0.047

Earnings used in calculating earnings per share:

	December 31, 2025	December 31, 2024
Profit attributable to the ordinary equity holders of the company used in calculating basic and diluted earnings per share	11,266,998	25,035,987

Weighted average number of shares used as the denominator

	December 31, 2025	December 31, 2024
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share	530,873,195	531,120,466

17. RESERVES

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

	December 31, 2025	December 31, 2024
Legal reserves (i)	12,283,702	10,940,219
Other reserves (ii)	102,857,333	71,793,388
Reserves for share-based remuneration (iii)	1,596,057	-
Revaluation reserves (iv)	192,847,292	149,497,049
TOTAL	**309,584,384**	**232,230,657**

(i), (ii), (iii) Legal reserves and other reserves	**December 31, 2025**	**December 31, 2024**
Balance at beginning of the year	**82,733,607**	**63,063,166**
Movements	34,003,485	19,670,441
Balance at the end of the year	**116,737,092**	**82,733,607**

(iv) Revaluation reserves	**December 31, 2025**	**December 31, 2024**
Balance at beginning of the year	**149,497,049**	**149,497,049**
Transfer for the sale of property, plant and equipment	(204,688)	-
Increase due to revaluation	51,851,108	-
Deferred tax related to revaluation	(8,296,177)	-
Balance at the end of the year	**192,847,292**	**149,497,049**

Other reserves have increased in 2025 with 31,063,945 RON (2024: RON 18,918,860) in order to re-invest the profits earned during the year and to benefit from fiscal facilities granted according to the national legislation. These reserves are not distributable as dividends, cannot be used to cover accumulated losses and become taxable upon distribution or other use that is not compliant with the legal provisions established in Romania. These reserves must be maintained as long as the benefit conditions apply.

The revaluation reserve arises on the revaluation of land and buildings. During 2025, the Group 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 51,851,108. 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. During 2025, the amount of RON 204,688 was transferred to accumulated results due to the sale of the building owned by Medlife Ocupational.

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

The effects of taxes on income, if any, resulting from the revaluation of property, plant and equipment are recognized and disclosed in accordance with IAS 12 Income Taxes (please see Note 26).

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 Reserves for share-based remuneration, in a total amount of RON 1,596,057.

18. NON-CONTROLLING INTEREST

	December 31, 2025	December 31, 2024
Balance at beginning of year	**72,018,957**	**78,900,725**
Share of loss for the year	(15,117,651)	(8,283,560)
Gain/(loss) on revaluation of properties	9,918,307	-
Deferred tax related to revaluation reserve	(1,586,929)	-
Non-controlling interests arising on the acquisition of subsidiaries	1,132,887	3,065,788
Subsequent acquisition of NCI	(749,081)	197,920
Conversion of loan to Equity	9,417,710	-
Distribution of dividends	(182,370)	(1,861,916)
TOTAL	**74,851,830**	**72,018,957**

Changes in ownership interest without loss of control

Conversion of loan to equity for Sweat Concept
In August 2025, the Company increased its participation with 14.95% in Sweat Concept One SRL, reaching a stake of 74.954%. The loans held by the minority shareholder have also been converted into share capital, in a total amount of RON 9,417,710.

Increased participation in Brol Medical Center S.A.
In March 2025, Medici's SRL completed the acquisition of additional 30% shares in Brol Medical Center S.A. company, reaching a 86% stake. In 2023, Medici's SRL acquired a majority stake of 56% in Brol Medical Center S.A.

Increased participation in IT Repair SRL
In April 2025, Policlinica de Diagnostic Rapid SA completed the acquisition of additional 40% shares in IT Repair SRL company, reaching a 100% stake. In 2022, Policlinica de Diagnostic Rapid SA acquired a majority stake of 60% in IT Repair SRL.

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 System since 2019, when representatives announced the acquisition of 51% of its shares.

Increased participation in Super Age
In October 2025, Centrul de Diagnostic si Tratament Provita increased its participation with 24% shares in Super Age, reaching a stake of 75%.

As a result of the acquisition of the additional 30% of the issued shares in Brol Medical Center S.A., an additional 40% of the issued shares in IT Repair SRL , an additional 24% in Super Age and acquired additional 11.55% in shares in RMC Hungary, for a total consideration of RON 4,354,801 made in cash.

Immediately prior to the purchase, the carrying amount of the existing non-controlling interest in Group was 749,081 RON. The Group recognised a decrease in non-controlling interests of 749,081 RON and a decrease in equity attributable to owners of the Group of 3,663,707 RON. The total amount paid recognized in the statement of cash-flows during 2025 is of RON 5,420,579, which comprise the total payments made for the acquisition of additional NCI during 2025 in the amount of RON 3,663,707 and the total payments made for the deferred payment for additional NCI acquired in the prior years in the amount of RON 1,756,873.

The effect on the equity attributable to the owners of Group during the year is summarised as follows:

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

	December 31, 2025	December 31, 2024
Carrying amount of non-controlling interests acquired	749,081	(197,920)
Consideration paid to non-controlling interests	(3,663,707)	(371,815)
Consideration to be paid to non-controlling interests	(691,094)	(6,052,940)
Consideration as a result of release of own shares	-	-
Excess of consideration paid recognised in the transactions with non-controlling interests reserve within equity	(3,605,720)	(6,622,675)

There is no material individually Non-controlling interest when assessed at an individual level.
Please refer to Note 1 Description of the business where a list with all subsidiaries in the Group is provided, with details on the name of the subsidiary, the principal place of business and the proportion of ownership interests held in those subsidiaries.

19. REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with customers consists mainly 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 on each business line.

Business Line	12 months 2025 Sales	% of Total Sales 2025	12 months 2024 Sales	% of Total Sales 2024	Variation 2025/2024
Clinics	1,184,308,228	37.3%	1,022,354,056	37.6%	15.8%
Stomatology	122,214,708	3.9%	125,518,088	4.6%	-2.6%
Hospitals	883,256,613	27.8%	661,486,735	24.4%	33.5%
Laboratories	352,036,726	11.1%	295,352,374	10.9%	19.2%
Corporate	306,922,059	9.7%	296,968,035	10.9%	3.4%
Pharmacies	78,400,432	2.5%	69,239,459	2.5%	13.2%
Others	246,379,977	7.8%	244,655,964	9.0%	0.7%
TOTAL SALES	**3,173,518,743**	**100%**	**2,715,574,711**	**100%**	**17%**

The Group has only one reportable segment, the Healthcare segment, for which the total revenues disaggregated into categories by timing of revenue comprise services transferred at a point in time, in a total amount of RON 2,576,508,861 (12 months 2024: RON 2,127,708,089) and services transferred over time, in a total amount of RON 306,922,059 (12 months 2024: RON 296,968,035).
On the Other category, the Group obtains revenues from goods transferred at a point in time mainly from Pharmacies and Others business lines, through the Group's distribution line.

The Group has around 34% of its sales during 2025 (32% during 2024) deriving from the treatment of NHIH insured patients.

The revenues of the Group are generated on the Romanian market, below 1.2% being generated from other geographical locations (Hungary and Moldova). The entire amount included in contract liabilities at the beginning of the year (as per Note 10) was recorded as revenue in 2025.

20. OTHER OPERATING INCOME

	12 months 2025	12 months 2024
Other operating revenues	9,763,308	7,055,929
Income from operating grants	3,242,692	1,794,334
TOTAL	**13,006,000**	**8,850,263**

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

21. THIRD PARTY EXPENSES

	12 months 2025	12 months 2024
Medical services	799,513,581	676,842,843
Consulting services	9,651,189	8,795,923
Cleaning and laundry	22,008,400	17,781,753
Legal services	7,903,414	6,742,569
Other services	2,452,974	1,090,115
Waste collection and sanitation	8,055,905	6,343,519
Security and safety	6,425,707	4,675,825
IT services	7,098,746	6,409,744
Logistics and telecommunications services	3,614,498	5,699,139
Accreditations and authorizations	2,958,073	2,062,506
Storage and archiving services	1,115,480	797,750
Others	34,303,457	28,380,803
TOTAL	**905,101,423**	**765,622,489**

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 Group's operational model and its flexibility in managing medical staff capacity.

The amounts included in the "Others" category represent Third party expenses cumulated from all Group entities, that cannot be further itemised and they represent 4% out of the total Third party expenses (2024: around 4%).

22. OTHER OPERATING EXPENSES

	12 months 2025	12 months 2024
Utilities	41,810,529	34,988,497
Repairs maintenance	28,330,113	22,419,581
Rent	22,065,131	16,481,797
Insurance premiums	7,037,609	6,982,497
Promotion expense	56,862,084	47,269,456
Communications	6,920,119	6,584,857
Other administration and operating expenses	31,129,019	27,348,695
TOTAL	**194,154,604**	**162,075,380**

On the Other administration and operating expenses it is included an amount of RON 9,271,231 (2024: RON 6,960,206) related to other (fiscal) taxes for the state budget, an amount of RON 8,082,029 (2024: RON 4,511,144) related to transportation and travel expenses, the remaining amounts representing other operating expenses incurred by the Group.

23. MANAGEMENT AND STAFF PERSONNEL EXPENSES

A. The structure of Group personnel is described below:

	December 31, 2025	December 31, 2024
Management	232	234
Staff	7,574	7,159
Total	**7,806**	**7,393**

The short-term benefits paid by the Group, by type of personnel are described below:

	December 31, 2025	December 31, 2024
Management	72,211,668	73,821,887
Staff	718,190,921	595,641,457
Total	**790,402,589**	**669,463,344**

For key management personnel expenses, please refer to Note 25 (b).

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

B. Equity-settled share-based payments

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.

The Group 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 25b) on key management personnel compensation.

24. NET FINANCIAL RESULT

	12 months 2025	12 months 2024
Finance cost	(89,071,895)	(95,576,053)
Bank commissions	(7,544,521)	(7,054,935)
Interest income	2,293,240	2,175,920
Other income	132,058	462,070
(Loss)/Gain from foreign exchange rate impact	(45,665,966)	(1,346,241)
FINANCIAL NET PROFIT/(LOSS)	**(139,857,083)**	**(101,339,240)**

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

25. 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 Tău (Allianz Tiriac) privately administered Pensions Fund	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**	**100.00%**

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%
Marcu Nicolae	54,631,600	10.28%
NN Privately administered Pensions Fund	70,356,940	13.24%
AZT Viitorul Tău (Allianz Tiriac) privately administered Pensions Fund	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**	**100.00%**

Please refer to Note 15 and Note 16.

(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 Group operates a long term incentive plan ("LTIP") under which selected employees and executives are granted equity settled stock awards.
During the year, the Group granted stock awards (please refer to note 23 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

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

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 23 b) 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:

	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 Board of Directors of the Company comprises the following members:

- 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.

(c) Related parties
The related parties identified are as follows:

	Receivables from		Payables to	
	December 31, 2025	**December 31, 2024**	**December 31, 2025**	**December 31, 2024**
Shareholders	-	-	228,385	116,345
Minority Shareholders	28,439	3,801	18,466,853	25,710,480
Other related Parties	9,958	24,373	5,189,286	119,934
Total	**38,397**	**28,174**	**23,884,524**	**25,946,758**

	Sales in 2025	Sales in 2024	Purchases in 2025	Purchases in 2024
Shareholders	-	-	-	700,800
Minority Shareholders	71,507	1,463	17,528	-
Other related Parties	87,832	26,991	86,312	182
Total	**159,339**	**28,454**	**103,840**	**700,982**

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

26. TAXATION

	December 31, 2025	December 31, 2024
Current income tax expense	22,117,590	26,449,100
Deferred tax income	870,711	(4,132,398)
Total income tax expense	**22,988,300**	**22,316,702**
Profit before tax	**19,137,647**	**39,069,130**
Tax expense using the statutory rate of 16% (2024: 16%)	3,062,024	6,251,061
Fiscal effect of non-deductible expenses	7,506,069	6,244,894
Fiscal effect of non-taxable income	(470,471)	(271,099)
Fiscal effect of deductible legal reserve	(105,200)	-
Sponsorship/other compensation	(4,107,827)	(3,100,260)
Reinvested profit and other fiscal facilities	(5,081,837)	(2,678,305)
Adjustments in respect of current income tax of previous years	3,536,128	(431,308)
Other elements (including different fiscal treatment)	18,649,416	16,301,720
Income tax for the current year	**22,988,301**	**22,316,703**

	December 31, 2025	December 31, 2024
Income tax liabilities as at 1 January	4,322,328	321,242
Income tax liabilities through acquisitions	76,575	(167,553)
Income tax paid in the current year	(25,681,728)	(22,280,461)
Income tax payable in the current year	22,117,590	26,449,100
Current tax liabilities as at 31 December	**834,764**	**4,322,328**

Components of deferred tax	**31 December 2025**	**Change in deferred tax**	**31 December 2024**
Deferred tax assets			
Deferred tax from ROUA	31,873,353	3,789,241	28,084,112
Amount related to untaken holidays provisions	1,965,653	(819,895)	2,785,548
Amounts related to the inventory allowance	70,356	70,356	-
Total deferred tax asset	**33,909,362**	**3,039,702**	**30,869,660**

Deferred tax liability	**31 December 2025**	**Change in deferred tax**	**31 December 2024**
Assets acquired in a business combination	20,223,752	(2,107,364)	22,331,116
Other elements	104,871	-	104,871
Deferred tax on lease liabilities	33,355,869	4,858,835	28,497,034
Land and buildings revaluation	36,692,477	11,519,241	25,173,236
Total deferred tax liability	**90,376,969**	**14,270,712**	**76,106,257**
Net deferred tax liability	**56,467,607**	**11,231,010**	**45,236,597**

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

Components of deferred tax	31 December 2024	Change in deferred tax	31 December 2023
Deferred tax assets			
Non-current assets	-	-	-
Deferred tax from ROUA	28,084,113	(3,095,275)	31,179,388
Amount related to untaken holidays provisions	2,785,548	1,006,900	1,778,648
Total deferred tax asset	**30,869,660**	**(2,088,376)**	**32,958,036**

Deferred tax liability	31 December 2024	Change in deferred tax	31 December 2023
Assets acquired in a business combination	22,331,116	1,338,294	20,992,822
Other elements	104,870	-	104,870
Deferred tax on lease liabilities	28,497,034	(2,791,419)	31,288,453
Land and buildings revaluation	25,173,236	(296,429)	25,469,666
Total deferred tax liability	**76,106,257**	**(1,749,554)**	**77,855,811**
Net deferred tax liability	**45,236,597**	**338,822**	**44,897,775**

The Group 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.

During 2025, the Group has recognised a deferred tax liability from business combination in the amount of RON 477,193 (please refer to Note 27) and decreased the same account with RON 2,584,557. Assets acquired in a business combination are assets obtained through the acquisition of another company or business, recognized at fair value at the acquisition date and subsequently integrated into Group MedLife.

During 2025, the Group has recognised deferred tax in relation with the revaluation reserve of RON 11,519,242.

27. BUSINESS COMBINATIONS

27.1. Acquisition of subsidiaries

During the reporting period, the following important events have occurred (percentages below represent equity interest):

- Acquisition of 60% shares in Routine Med group of companies in January 2025 – Alfalux Dent SRL, Medical Center Spital SRL, Mega Optic SRL, Super Optosan SRL, Micro Medic SRL, Routine Med SA
- Acquisition of 48% shares in Cabinet Medical Dr. Bacila Mihai SRL in January 2025
- Acquisition of 70% shares in All Clinic in March 2025.

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 a 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
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.

Cabinet Medical Dr. Băcilă acquisition
In January 2025, the Company finalized the acquisition of a 48% stake in Cabinet Medical Dr. Băcilă which is a registered company in Timișoara, Romania, operating in the field of specialized medical care.

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

27.2. Assets acquired and liabilities recognized at the date of acquisition

Assets acquired and liabilities recognized at the date of acquisition	31 December 2025	31 December 2024
Non-current assets	**9,059,423**	**50,380,157**
out of which		
- Intangible assets	*923,500*	*4,558,686*
- Property, plant and equipment	*5,731,995*	*42,238,796*
- Right-of-use assets	*2,403,928*	*3,582,675*
Current assets	**3,800,725**	**12,173,932**
out of which		
- Inventories, cash and prepayments	*1,808,300*	*6,516,987*
- Trade Receivables and other receivables	*1,992,424*	*5,656,944*
Current liabilities	**10,278,138**	**29,730,935**
out of which		
- Overdraft	*2,011,910*	*2,240,453*
- Current tax liabilities	*76,575*	*(167,553)*
- Trade and other liabilities	*5,394,134*	*17,963,266*
- Lease liabilities	*2,318,325*	*3,658,139*
- Provisions	*-*	*1,565,410*
- Deferred tax arising at acquisition	*477,193*	*4,471,220*
Non-current liabilities (Borrowings on long term)	**-**	**2,165,715**
Net assets	**2,582,010**	**30,657,439**

All business combination during 2025 are not material when individually assessed.

Tangible and intangible assets fair value valuation methodology uses a mix between the cost approach and the income approach, which estimates the depreciation of the assets considering also the economic benefits that would be generated by that particular assets. For certain medical equipment and vehicles, for which publicly available information allows, fair value was measured using market approach.

If these acquisitions would have been completed on the first day of the financial year, Group revenues for the year would have been RON 3,175,776,674 and Group loss would have been RON 3,748,398.

27.3. Acquisition related costs
The Group incurred acquisition-related costs of RON 2,248,048 on legal fees and due diligence costs. These costs have been included in Other operating expenses and Third party expenses.

27.4. Goodwill arising on acquisition

	31 December 2025	31 December 2024
Consideration transferred	15,556,104	79,180,559
Less: fair value of identifiable net assets acquired	(2,582,010)	(30,657,439)
Less: fair value of loan receivable	-	(9,940,000)
minus: the value of other recognized liabilities	-	4,990,453
Plus non-controlling interest	1,132,887	3,065,788
Goodwill arising on acquisition	**14,106,980**	**46,639,362**

The goodwill is attributable to the workforce and also to the know-how acquired and the high profitability of the acquired business. It will not be deductible for tax purposes.

In 2025, the difference between consideration transferred (as stated here in Note 27.4) and consideration paid in cash (as stated in Note 27.5) represents deferred consideration for business combination in 2025, in the amount of RON 3,589,673.

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

27.5. Net cash outflow on acquisition of subsidiaries

	31 December 2025	31 December 2024
Consideration paid in cash	11,966,430	55,151,931
Less: cash and cash equivalent balances acquired at acquisition date	(1,330,802)	(3,645,572)
Total	**10,635,628**	**51,506,359**

28. CAPITAL MANAGEMENT

The Group 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 Group 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, 16 and note 17.

The Group'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 Group manages its capital structure primarily through dividend distributions within the Group, 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 Group has grown in 2025 principally through organic development and less through organic 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.

The Group'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 Group maintains an adequate level of equity to act as a buffer against potential variations in performance.
Debt financing, together with the Group's available liquidity, has been primarily used to fund acquisitions of subsidiaries, whose results are reflected in the consolidated financial statements, as well as to support the development of organic projects.
When assessing the adequacy of its capital structure relative to its activities and exposures, the Group 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.

	December 31, 2025	December 31, 2024
Interest-bearing loans and borrowings without overdraft	1,481,934,276	1,262,491,670
Cash and cash equivalents	176,178,001	112,808,224
Loans payable net of cash	1,305,756,275	1,149,683,446
Total Equity	558,823,544	504,644,731
Ratio total equity to loans payable (without overdraft) net of cash	**0.43**	**0.44**

The Group'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.

29. RISK MANAGEMENT

The Group's Board of Directors has the overall responsibility for the establishment and oversight of the Group's risk management framework.
The Group's risk management policies are established to identify and analyse the risks faced by the Group, 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 Group's internal controls, regulatory compliance and risk management.

In the course of its business the Group is exposed to a number of financial risks, including credit, interest rate, liquidity and foreign currency risks.
This note presents the Group'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 Group's financial risks with the aim to control and manage the Group'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 receivables, long-term receivables from stem cells processing and advances for acquisitions of subsidiaries.

The Group's cash equivalents and short-term deposits are placed with reputable financial institutions with a high credit rating.
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 Group's customer base, which consists mainly of both individuals and companies. Around 51% 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 Group 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 Group has established an internal Collection department which actively monitors encashments received from customers.

Other long-term receivables for stem cells processing are represented net of the allowance for expected credit losses. Receivables were individually assessed taking into account specific information available in individual cases in order to measure credit risks. An allowance for expected credit losses was determined for certain customers for which management assessed high credit risk.

The gross carrying amounts of financial assets (before credit loss allowances) included in Note 5.3 and Note 7.1 represent the Group's maximum exposure to credit risk in relation to these assets.

The Group has only 34% of its sales during 2025 deriving from the treatment of NHIH insured patients (concentration of credit risk, as of 2024: 32%) – reliance on major customers, but in the management's view, the associated credit risk with the receivable balance is considered to be low, based on historical practice and specifics of the contracts (please also see Note 7 for further details). Therefore, at 31 December 2025 and 31 December 2024, the Group considered that there is no significant concentration of credit risk.

(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 Group 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 a significant part of the total 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 each category, 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 Group 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.

As a result, the management of the Group 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% higher and all other variables were held constant, the Group's profit for the year ended 31 December 2025 would decrease by RON 7,703,590 RON (2024: decrease with RON 9,230,795). This is mainly attributable to the Group's exposure to interest rates on its borrowings and leases.

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

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	38,485,631						
Short-Term and Long-Term portions of loans	1,481,934,276	Syndicated Loan	1,456,219,346	96%	59,797,830	65,777,613	5,979,783
Short-Term and Long-Term portions of leases	410,911,818	Contracts that refer to rent of buildings, equipment and vehicles which fall under IFRS 16	352,032,294	86%	17,490,361	19,214,168	1,723,807
2024							
Overdraft	29,076,066						
Short-Term and Long-Term portions of loans	1,262,491,670	Syndicated Loan	1,129,646,367	87%	62,947,452	69,242,197	6,294,745
Short-Term and Long-Term portions of leases	394,313,610	Contracts that refer to rent of buildings, equipment and vehicles which fall under IFRS 16	320,508,978	81%	17,234,834	20,170,883	2,936,050

	December 31, 2025	December 31, 2024
Profit or loss	7,703,590	9,230,795

(c) Liquidity risk

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group 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.

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

	December 31, 2025	December 31, 2024
Current assets	702,888,150	658,905,448
Current liabilities	885,449,208	976,224,339
Ratio Current assets to Current liabilities	**0.79**	**0.67**

The current ratio is a vital starting point for assessing liquidity risk, but not sufficient. As the Current ratio is between 0.5 and 1, with a slight increase in 2025, this indicates a sustainable level of liquidity risk.

Based on the Group'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 56% 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 Group'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 Group 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		**507,050,939**	**507,050,939**	507,050,939	-	-	-	-	-
Interest bearing instruments									
Overdraft		**38,485,631**	**38,485,631**	38,485,631	-	-	-	-	-
Syndicated Loan	EURIBOR 6M / ROBOR 6M + margin	**1,481,934,276**	**1,758,702,559**	122,761,864	239,224,220	183,422,438	213,371,488	243,187,622	756,734,927
Lease contracts		**410,919,717**	**519,599,386**	110,119,959	86,209,246	60,913,590	44,125,431	31,911,914	186,319,247
Total		**2,438,390,563**	**2,823,838,515**	**778,418,393**	**325,433,465**	**244,336,028**	**257,496,919**	**275,099,536**	**943,054,173**

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		**571,552,330**	**571,552,330**	571,552,330	-	-	-	-	-
Interest bearing instruments									
Overdraft		**29,076,066**	**29,076,066**	29,076,066	-	-	-	-	-
Syndicated Loan	EURIBOR 6M / ROBOR 6M + margin	**1,262,491,670**	**1,483,208,638**	228,864,423	176,212,765	181,863,865	241,489,725	626,779,800	27,998,061
Lease contracts		**394,313,610**	**511,922,141**	109,878,218	83,795,110	63,031,748	43,613,710	27,834,178	183,769,177
Total		**2,257,433,676**	**2,595,759,175**	**939,371,037**	**260,007,874**	**244,895,613**	**285,103,435**	**654,613,978**	**211,767,237**

(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 Group's exposure to such risk is primarily driven by EUR-denominated borrowings, reflecting the Group's financing structure.
At the operating level, the Group 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 Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

2025	RON	1 EUR = 5.0985 RON	100 HUF = 1.3250 RON	1 MDL 0.2580 RON	Total
ASSETS					
Cash and cash equivalents	164,268,856	8,934,858	2,690,949	283,338	176,178,001
Trade receivables	299,745,374	-	1,571,619	445,709	301,762,702
Other assets	51,746,663	-	2,979,207	10,783	54,736,653
Financial assets	323,570	81,108,076	373,672	-	81,805,318
LIABILITIES					
Trade payables	472,331,093	30,590,749	3,690,270	438,827	507,050,939
Overdraft	27,901,631	10,197,000	-	387,000	38,485,631
Other long term debt	51,592,329	-	-	-	51,592,329
Short-Term and Long-Term portions of loans	19,641,302	1,462,292,974	-	-	1,481,934,276
Short-Term and Long-Term portions of leases	4,881,718	405,170,598	828,996	38,404	410,919,717

2024	RON	1 EUR = 5.0985 RON	100 HUF = 1.3250 RON	Total
ASSETS				
Cash and cash equivalents	99,432,769	11,887,667	1,487,788	112,808,224
Trade receivables	322,382,720	-	1,724,140	324,106,860
Other assets	55,880,250	-	-	55,880,250
Financial assets	473,440	53,664,971	290,532	54,138,411
LIABILITIES				
Trade payables	557,411,940	9,847,215	4,293,175	571,552,330
Overdraft	19,127,866	9,948,200	-	29,076,066
Other long term debt	69,109,052	-	-	69,109,052
Short-Term and Long-Term portions of loans	18,573,120	1,243,918,550	-	1,262,491,670
Short-Term and Long-Term portions of leases	4,365,479	389,174,295	773,836	394,313,610

The Group is mainly exposed to movements in the RON/EUR exchange rate. The table below presents the Group'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 impact will be the same in Equity.

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)

	31 decembrie 2025	31 decembrie 2024
Profit or loss	181,820,839	158,733,562

(e) Sustainability

The Company 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.

Medlife Group 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. Medlife Group 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 Group 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 consolidated financial statements as of December 31, 2025.

(g) Macroeconomic environment

The economic context at national and international level that may negatively influence the Group'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.

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

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 Group'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 Group 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 Group level, brings sufficient confidence over the value of the assets held, being stated at their current fair value in these consolidated financial statements.

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

30. FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments in the balance sheet 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 and 2025, in which all the credit facilities were re-arranged in terms of both maturities and interest rates. The syndicated loan covers around 96% of the total Group debt position exposure.

Financial instruments that are not held at fair value

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

At level 3 of the fair value hierarchy, the Group 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:

ASSETS	Classification under IFRS 9	Carrying amount	Fair value	Level 1	Level 2	Level 3
Cash and cash equivalents	Amortized cost	176,178,001	176,178,001	176,178,001	-	-
Trade Receivables	Amortized cost	301,762,702	301,762,702	-	-	301,762,702
Other financial assets	Amortized cost	81,805,318	81,805,318	-	-	81,805,318
LIABILITIES						
Trade and other payables	Amortized cost	507,050,939	507,182,649	-	-	507,050,939
Overdraft	Amortized cost	38,485,631	38,485,631	-	-	38,485,631
Other long term debt	Amortized cost	51,592,329	51,810,825	-	-	51,592,329
Lease liability	Amortized cost	410,919,717	410,919,717	-	-	410,919,717
Long term debt	Amortized cost	1,481,934,276	1,481,934,276	-	-	1,481,934,276

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 Group considers that the fair value of Long term debt is similar with the carrying amount.

31. COMMITMENTS AND CONTINGENCIES

Contingent liabilities are not recognized in the consolidated 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 consolidated 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 syndicathed loan.

Other commitments
As at December 31, 2025, the Group 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 Group has to provide primary medical services to National House's insured citizens.

BCR issued letters of warranties in the favor of Med Life S.A, Pharmachem Distributie S.A., Pharmalife MED S.R.L. and Policlinica de Diagnostic Rapid S.A. in total amount of RON 31,803,525, out of which, in foreign currency, EUR 233,650 as of December 31, 2025 (December 31, 2024: RON 27,251,550, out of which EUR 1,986,737).
Banca Transilvania issued letters of warranties in the favor of MNT Healthcare Europe SRL in total amount of 1,303,569 RON, in the favor of Centrul de Diagnostic si Tratament Provita in total amount of 2,344,391 RON and in the favor of SWEAT Concept One SA in total amount of 509,821 RON.
CEC Bank issued letters of warranties in the favor of Sweat Concept One SA in total amount of 551,112 RON.

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 ultimate parent of the Group had a tax control which covered period from 2016 to 2020. The control was finalised during 2021 and the results were booked in accounting, the impact on the figures being RON 1,153,649. 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 Group 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 Group is confident that, if required, they will submit the necessary information in due time to the fiscal authorities.

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

32. FEES TO AUDITORS

Starting with 2024, the auditor of the Group 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 as adopted by EU in line with the provisions of Ministry of Finance Order no. 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 no. 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.

33. EVENTS AFTER THE BALANCE SHEET DATE

Medstar acquisition

In June 2025 the Company, Romania's largest private healthcare network, has announced the full acquisition of Medstar, a long-established healthcare provider in Cluj-Napoca, active in outpatient and paraclinical services. Through this transaction, the Company, via its Sfânta Maria network, strengthens its presence in the Transylvania region.

Founded in 2004, Medstar operates four clinics, a laboratory, light imaging services, and two recovery centers, all based in Cluj-Napoca. In 2024, the company reported revenues of around 32 million RON. With a team of more than 200 specialists across over 30 medical disciplines, Medstar offers a wide range of services including consultations, laboratory tests, radiology, mammography, DEXA investigations, occupational medicine, as well as full recovery programs for children and adults. It also provides traffic safety services and dermatology.

Following the deal, the Company, through Sfânta Maria, acquired 100% of Medstar SRL. In January 2026 the acquisition was approved by the Competition Council.

Medlife Genesys Clinic in Arad

The Company has expanded its presence in Arad and opened its fourth medical unit in Arad in January 2026. The new clinic offers patients over 17 medical specialties, complete medical analysis services, but also an innovative concept for the local market: the Longevity Center.

The Longevity Center proposes a modern and integrated approach to health, focused on prevention and optimization of quality of life. The Menopause Center will also operate within the Longevity Center, dedicated to supporting women's health through personalized evaluations and treatments.

Geopolitical environment

During early 2026, geopolitical tensions have continued, including the ongoing conflict in Ukraine and developments in the Middle East, in respect of Iran. The Group has no direct exposure to these regions and continues to monitor the situation. Management has concluded that these are non-adjusting events in accordance with IAS 10 and do not have a significant impact on the Group's consolidated financial statements for the year ended 31 December 2025.

No other events have occurred subsequent to the reporting date that would require adjustment to or disclosure in the financial statements.

These financial statements, comprising the consolidated statement of financial position, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows and notes, were approved on March 30, 2026.

Mihail Marcu,
CEO

Alina-Oana Irinoiu-Titu,
CFO