



Conference Call Presentation for Q1 2017 Results

LEGAL DISCLAIMER

This presentation is not, and nothing in it should be construed as, an offer, invitation or recommendation in respect of Med Life SA's securities, or an offer, invitation or recommendation to sell, or a solicitation of an offer to buy Med Life SA's securities.

Neither this presentation nor anything in it shall form the basis of any contract or commitment. This presentation is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any investor.

All investors should consider such factors in consultation with a professional advisor of their choosing when deciding if an investment is appropriate.

Med Life SA has prepared this presentation based on information available to it, including information derived from public sources that have not been independently verified. No representation or warranty, express or implied, is provided in relation to the fairness, accuracy, correctness, completeness or reliability of the information, opinions or conclusions expressed herein.

These projections should not be considered a comprehensive representation of Med Life SA's cash generation performance.

This report may contain forward-looking statements. These statements reflect Med Life SA's current knowledge and its expectations and projections about future events and may be identified by the context of such statements or words such as "anticipate," "believe", "estimate", "expect", "intend", "plan", "project", "target", "may", "will", "would", "could" or "should" or similar terminology.

These financial projections are preliminary and subject to change; Med Life SA undertakes no obligation to update or revise these forward-looking statements to reflect events or circumstances that arise after the date made or to reflect the occurrence of unanticipated events. Inevitably, some assumptions may not materialize, and unanticipated events and circumstances may affect the ultimate financial results. Projections are inherently subject to substantial and numerous uncertainties and to a wide variety of significant business, economic and competitive risks.

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

TOPICS OF DISCUSSION

- | | |
|--|---|
| I. MAIN EVENTS OF Q1 2017 | 4 |
| II. MEDLIFE Q1 FINANCIAL SNAPSHOT | 5 |
| III. KEY OPERATIONAL METRICS FOR Q1 2017 | 8 |
| IV. Q&A SESSION | 9 |



I. MAIN EVENTS OF Q1 2017

- Med Life SA signed the sales purchase agreement for the acquisition of shares/social parts of the share capital of the following companies:
 - 80% of share capital of Almina Trading SA – acquisition completed on the 29th of March 2017
 - 100% of share capital in Anima Speciality Medical Services SRL – acquisition not completed, subjected to Competition Council and Condition Precedents approval.
- Med Life SA purchased a building located in Banu Manta Street from Telekom and performed a sale and leaseback through financial leasing.
- The harsh weather conditions experienced in January – February slightly affected Group performance.
- Launch of ShareLife campaign.



II. MEDLIFE GROUP Q1 FINANCIAL SNAPSHOT

- Group sales increased with RON 30.72 mil, or 26.4%, in Q1 2017 as compared to Q1 2016, amounting to RON 146.92 mil.
- Operating profit recorded a 41.6% increase, from RON 7.04 mil in Q1 2016 to RON 9.97 mil in Q1 2017.
- Financial loss increased in Q1 2017 by RON 1.66 mil from a loss of RON 2.26 mil in Q1 2016 to a loss of RON 3.92 mil in Q1 2017 due to net foreign exchange losses recorded in Q1 2017.
- Net profit of RON 4.24 mil recorded in Q1 2017, higher by 15.5% than the net profit for Q1 2016.
- On a pro-forma basis, sales amount to RON 149.2 mil and Adjusted EBITDA to RON 19.82 mil for Q1 2017.
- Long term assets amount to RON 388.09 mil as of 31 March 2017. Increase of 3.4% as compared to 31 December 2016. Increase mainly linked to financial assets recorded in relation to Almina Trading acquisition.
- Interest bearing debt increased by RON 13.23 mil, from RON 240.57 mil as of 31 December 2016 to RON 253.80 mil as of 31 March 2017. Increase linked to Banu Manta finance lease and Almina Trading acquisition financing.

II. MEDLIFE GROUP Q1 FINANCIAL SNAPSHOT

Consolidated Statement of Financial Position

Description	31-Dec-16	31-Mar-17	% VAR
Non-current assets	375,364,713	388,091,276	3%
Current assets	90,754,747	93,503,971	3%
TOTAL ASSETS	466,119,460	481,595,247	3%
Current liabilities	145,300,339	144,528,267	-1%
Long term liabilities	213,144,255	225,380,841	6%
Deferred tax liability	14,655,982	14,655,982	0%
TOTAL LIABILITIES	373,100,576	384,565,090	3%
Equity attributable to owners of the Group	81,546,473	83,679,341	3%
Non-controlling interests	11,472,411	13,350,816	16%
EQUITY	93,018,884	97,030,157	4%

Consolidated Statement of Profit and Loss

Description	Q1 2016 IFRS	Q1 2017 Pro-Forma	% VAR
Sales	116,196,891	149,201,642	28%
Other operating income	204,422	7,792,330	3712%
OPERATING INCOME	116,401,313	156,993,972	35%
OPERATING EXPENSES	(109,360,096)	(146,358,429)	34%
OPERATING PROFIT	7,041,217	10,635,543	51%
EBITDA	14,089,548	19,817,299	41%
FINANCIAL RESULT	(2,255,879)	(3,932,988)	74%
RESULT BEFORE TAXES	4,785,338	6,702,555	40%
Income tax expense	(1,118,503)	(1,910,961)	71%
NET RESULT	3,666,835	4,791,594	31%



II. MEDLIFE GROUP Q1 FINANCIAL SNAPSHOT

OPEX EVOLUTION

Description	Q1 2016 IFRS	Q1 2017 IFRS	% VAR	% of OPERATING EXPENSES			% of SALES		
				Q1 2016	Q1 2017 (w/o Banu Manta)	% change	Q1 2016	Q1 2017 (w/o Banu Manta)	% change
Consumable materials and repair materials	19,140,293	23,394,703	22%	17.5%	17.1%	-0.4 p.p	16.5%	15.7%	-0.8 p.p
Commodities	4,580,373	5,634,254	23%	4.2%	4.1%	-0.1 p.p	3.9%	3.8%	-0.2 p.p
Utilities	1,193,245	1,582,265	33%	1.1%	1.2%	0.1 p.p	1.0%	1.1%	0 p.p
Repairs maintenance	1,023,739	1,336,266	31%	0.9%	1.0%	0 p.p	0.9%	0.9%	0 p.p
Rent	5,800,090	9,303,765	60%	5.3%	6.8%	1.5 p.p	5.0%	6.2%	1.2 p.p
Insurance premiums	433,527	483,603	12%	0.4%	0.4%	0 p.p	0.4%	0.3%	0 p.p
Promotion expense	1,296,831	2,676,807	106%	1.2%	2.0%	0.8 p.p	1.1%	1.8%	0.7 p.p
Communications	916,412	745,107	-19%	0.8%	0.5%	-0.3 p.p	0.8%	0.5%	-0.3 p.p
Third party expenses & Salaries expenses, <i>out of which:</i>	64,604,019	80,262,294	24%	59.1%	58.5%	-0.5 p.p	55.6%	53.8%	-1.8 p.p
<i>Third party expenses (including doctor's agreements)</i>	<i>34,441,759</i>	<i>38,329,297</i>	<i>11%</i>	<i>31.5%</i>	<i>28.0%</i>	<i>-3.5 p.p</i>	<i>29.6%</i>	<i>25.7%</i>	<i>-4 p.p</i>
<i>Salaries and related expenses (incl. social contributions)</i>	<i>30,162,260</i>	<i>41,932,997</i>	<i>39%</i>	<i>27.6%</i>	<i>30.6%</i>	<i>3 p.p</i>	<i>26.0%</i>	<i>28.1%</i>	<i>2.1 p.p</i>
Depreciation	7,048,331	9,120,536	29%	6.4%	6.7%	0.2 p.p	6.1%	6.1%	0 p.p
Other administration and operating expenses, <i>out of which:</i>	3,323,236	10,071,505	203%	3.0%	1.9%	-1.2 p.p	2.9%	1.7%	-1.1 p.p
<i>Banu Manta leaseback transaction impact</i>	<i>-</i>	<i>7,498,881</i>	<i>100%</i>	<i>0.0%</i>	<i>N/A</i>	<i>N/A</i>	<i>0.0%</i>	<i>N/A</i>	<i>N/A</i>
<i>Other admin and operating expenses</i>	<i>3,323,236</i>	<i>2,572,624</i>	<i>-23%</i>	<i>3.0%</i>	<i>1.9%</i>	<i>-1.2 p.p</i>	<i>2.9%</i>	<i>1.7%</i>	<i>-1.1 p.p</i>
OPERATING EXPENSES	109,360,096	144,611,105	32%	-	-		-	-	-
OPERATING EXPENSES w/o Banu Manta	109,360,096	137,112,224	25%	100.0%	100.0%	0 p.p	94.1%	91.9%	-2.2 p.p

The Group recorded a 2.2 p.p. decrease of operating expenses as % of sales in Q1 2017 as compared to Q1 2016 (excluding Banu Manta transaction), as a result of a 1.8 p.p decrease of “Third parties and salaries expenses”, “Other admin and operating expenses” decrease of 1.1 p.p, as well as “Consumables and repair materials” category decrease of 0.8 p.p. The improvements are slightly offset by a 1.2 p.p increase of “Rent” expense and by a 0.7 p.p increase in “Promotion Expenses”, both as a % of Sales.

There were no significant changes recorded on Group OPEX structure, except for “Rent” expenses share increase in total OPEX of 1.5 p.p, “Other Admin and Operating expenses” share decrease in total OPEX of 1.2 p.p and “Promotion Expenses” share increase in total OPEX of 0.8 p.p in Q1 2017 compared to Q1 2016.

III. KEY OPERATIONAL METRICS FOR Q1 2017

Business Line	FY 2016	Q1 2017
Clinics sales	130,109,363	38,837,934
Visits	909,132	277,325
Average charge	143.1	140.0
Stomatology sales	18,504,217	8,773,435
Visits	69,111	26,624
Average charge	267.7	329.5
Hospitals sales	104,977,229	29,504,620
Hospitals	56,283	15,291
Average charge	1,865.2	1,929.6
Laboratories sales*	93,161,917	26,884,535
Analyses	4,223,840	1,197,003
Average charge	22.1	22.5
Corporate sales	127,988,835	33,437,690
HPP	420,933	480,289
Average charge	304.1	69.6
Pharmacies sales	23,597,580	6,810,048
Tickets	264,604	70,116
Average charge	89.2	97.1
Other sales*	4,647,649	2,672,270



- In Q1 2017 sales from stem cells are classified in Other Sales business line. Sales of stem cells were previously classified in Laboratories business line. For comparison purposes, we have performed the same classification of stem cell sales for 2016 FY.



IV. Q&A SESSION

Thank you!

