



**The Largest Ecosystem on the
private healthcare market in Romania**

**One of the largest private healthcare companies in
Central and Eastern Europe**

Investors and Analysts Presentation

December, 2019

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



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I. INTRODUCTION TO MEDLIFE

Founded in 1996, MedLife is the leading private healthcare provider in Romania*. The Company operates the widest network of clinics, one of the largest networks of medical laboratories, general and specialised hospitals and it has the largest client database for Healthcare Prevention Packages in the country. The Company has developed its Stomatology business line, opening a standalone clinic in 2015 and acquiring in 2016 the majority stake of Dent Estet group, the largest dental clinic network in Romania. The Group is also active in the Pharmacies business line, operating a number of pharmacies in its own clinics or in their proximity.



MedLife's presence in all these 6 core healthcare service areas is the basis of the Group's unique revenue capture model, offering patients a complete service from prevention to diagnosis to treatment. In addition, in 2019 MedLife crossed the country's borders and announced the first international transaction through the acquisition of 51% stake in Rózsakert Medical Center (RMC) Group of companies, one of top 10 medical services providers in Hungary.

Throughout its history, MedLife and the companies it controls have had over 5 million unique patients, namely around 1 in 4 Romanians.



MedLife Group has a successful history as regards both organic growth and growth by acquisitions. Starting with 2009 onwards, MedLife has opened or acquired more than 130 medical units. Its strong and experienced management team has been capable of creating and managing these growth opportunities, acquiring valuable knowledge and experience, which can allow finding the best way to continue expanding successfully.

The shares issued by MedLife SA are traded on the stock market managed by the Bucharest Stock Exchange, Premium Category, with the "M" trading symbol.

A. KEY INVESTMENT HIGHLIGHTS



1

Romania – attractive & growing healthcare market

- Expected - highest growth of healthcare market in CEE with a CAGR for private healthcare of **9.6%** over 2018 – 2023

2

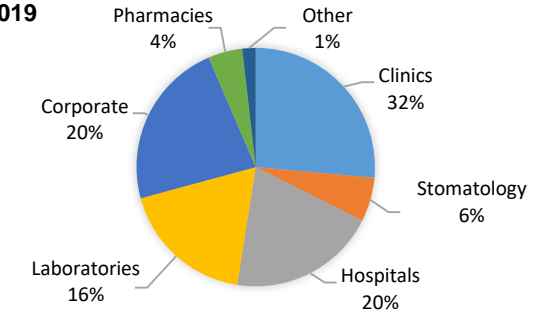
MedLife - the leading private healthcare operator in Romania and one of the largest players in CEE

- Pro-Forma Sales 2018: **RON 804 mln**
- Pro-Forma Sales 9m 2019 : **RON 696 mln**
- One of the most trusted healthcare **brands**

3

MedLife - balanced and highly synergic business model, with 6 mutually reinforcing business lines and 2 distinct brands that capture revenue from patients from all disposable income classes

Pro-forma 9m 2019 Sales



4

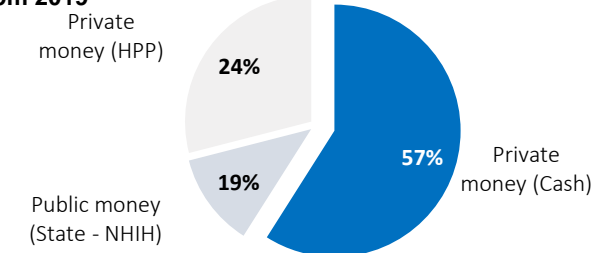
Largest HPP client base and facility portfolio in Romania

- **>690k** HPP clients from >5,000 companies
- **>5 mln** unique patients in the past 20 years

5

MedLife sales- mostly from the private sector

Based on 9m 2019 Sales



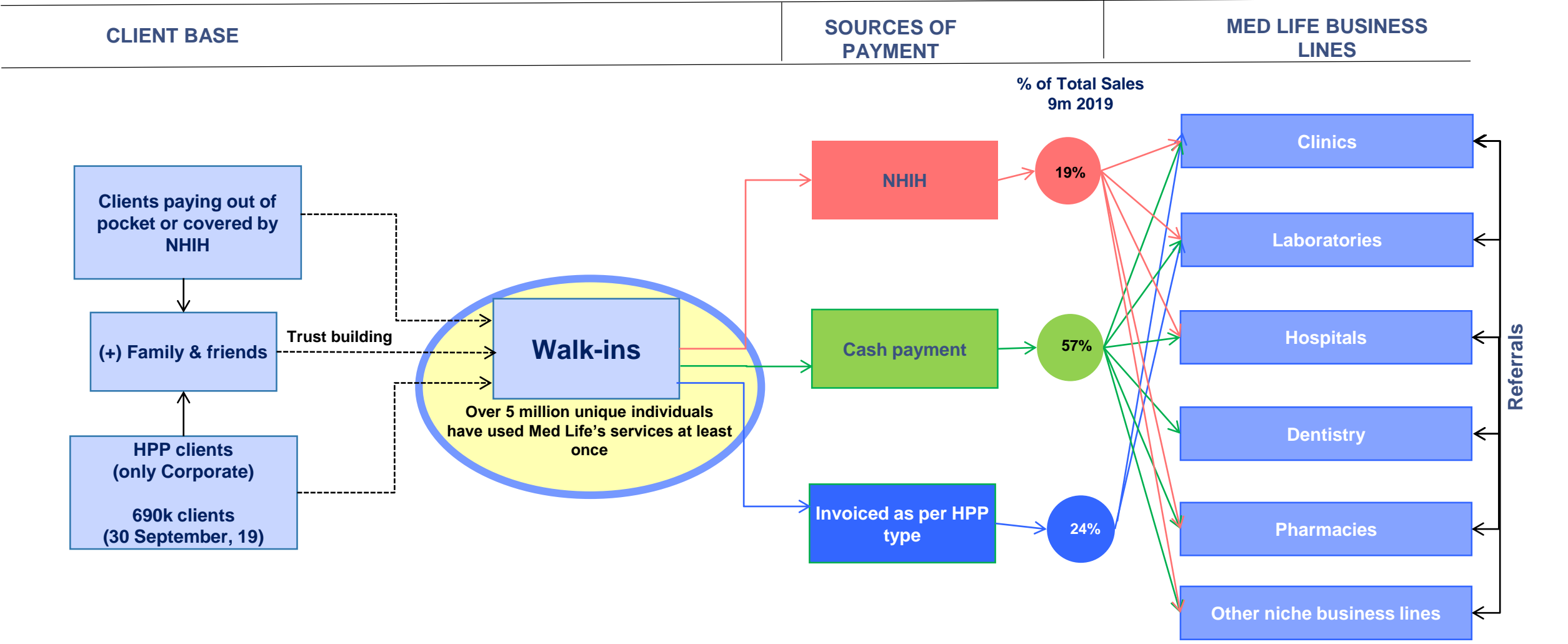
6

Track record of successful management of organic growth and acquisitions

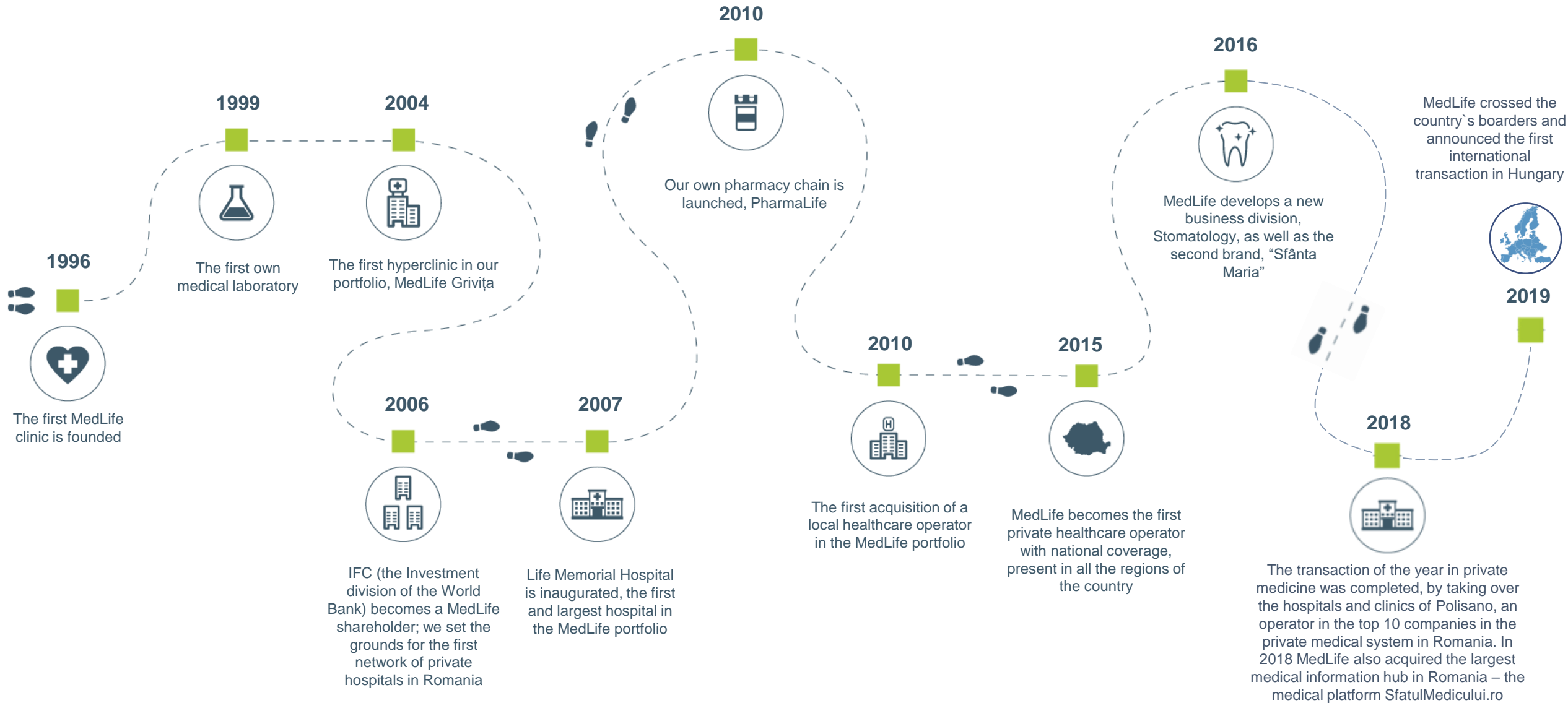
- **20** hyperclinics, **49** clinics, **10** hospitals, **33** labs, approx **200** sampling points, **12** dental clinics, **10** pharmacies as at **September 2019**
- Strong track record of acquisitions: **23** acquisitions completed as of **September 2019**

THE LARGEST ECOSYSTEM ON THE PRIVATE HEALTHCARE MARKET

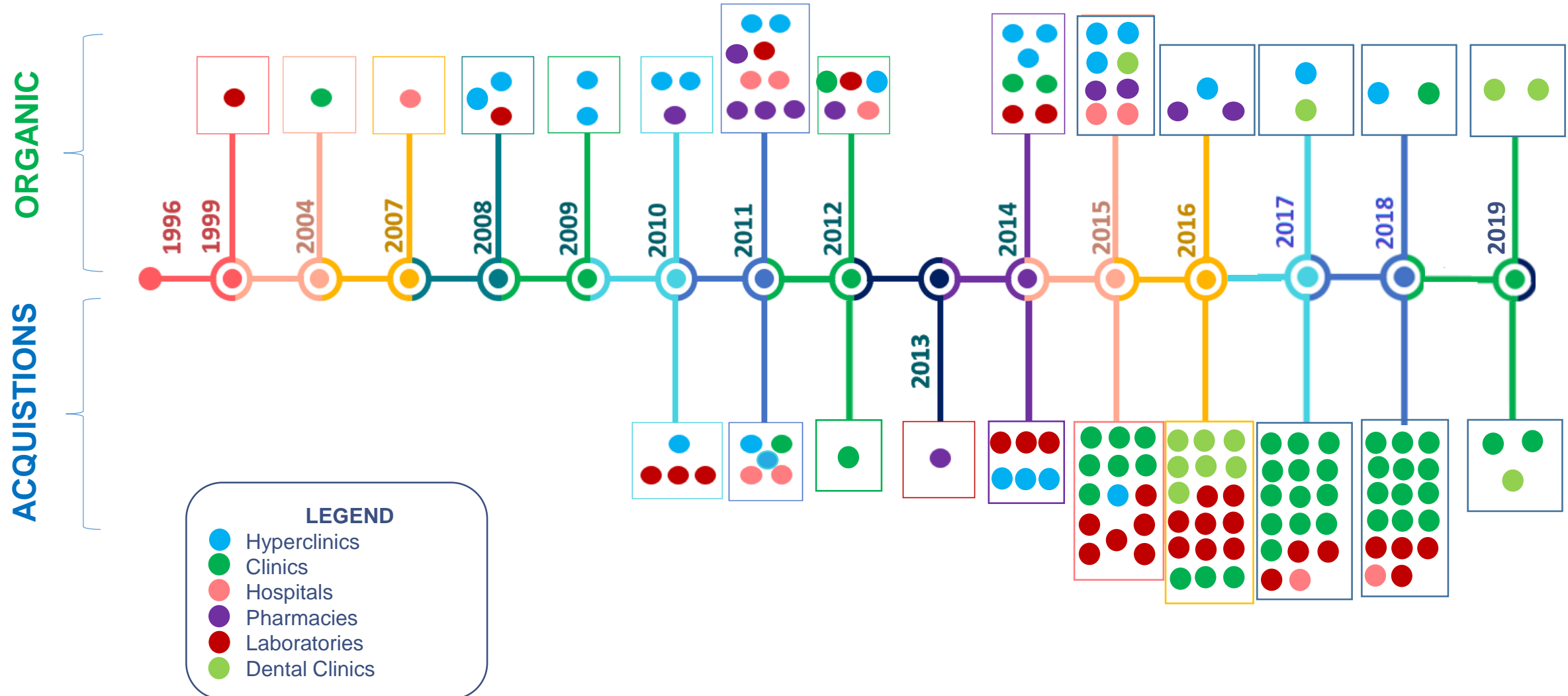
Unique Revenue Capture Model - Flow of Referrals Among Business Lines



B. HOW WE GREW



SUCCESSFUL TRACK RECORD IN MANAGEMENT OF ORGANIC GROWTH AND ACQUISITIONS



* data as at September 2019

A map of Romania divided into its administrative districts. Blue circles with black outlines contain numbers representing the number of companies, while red circles with black outlines contain numbers representing the number of employees. The numbers are distributed across various districts, with some districts having multiple values.

A map of Romania divided into administrative regions. Six regions are highlighted with colored circles and numbers: three green circles with the number '1' (located in the northwest, northeast, and south) and three blue circles with the number '2' (located in the west, center, and southeast).

A map of the Czech Republic divided into administrative districts. Green dots are placed in various districts, and blue circles with numbers are placed in specific districts. The numbers are: 1 (multiple locations), 2 (multiple locations), 3 (one location), and 11 (one location).

A map of Romania divided into its administrative regions. Three regions are highlighted in blue and numbered: Region 2 in the west, Region 2 in the center, and Region 7 in the south.

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C. MEDLIFE NETWORK

The two brands of MedLife Group - the only private medical Romanian service company that can use its synergies at national level to capture competitive advantages



MEDLIFE BRAND NETWORK

20 Hyperclinics
39 Clinics
10 Hospitals
25 Laboratories
Approx. **160** Sampling points
12 Dental Clinics
10 Pharmacies



SFANTA MARIA BRAND NETWORK

10 Clinics
8 Laboratories
Approx. **40** Sampling points

D. BUSINESS OVERVIEW

	HEALTHCARE PREVENTION PACKAGES (HPP)	CLINICS	HOSPITALS	LABORATORIES	PHARMACIES	STOMATOLOGY
ALL KEY SEGMENTS COVERED	Mandatory occupational health platform. Diagnosis & screening for employees – Polish model	Outpatient services including Imagistics. Very strong brand – “Hyperclinics”	Maternity, specialist and generalist facilities	Full range of tests performed from standard blood tests to complex genetic analysis	Prescription, OTC and related products	Wide range of dental services, from kids to adults, from check-ups to surgery
LEADING PLAYER	Over 5 million unique patients in Medlife’s database (namely around 1 in 4 Romanians) Approx.3,000 doctors and 2,000 nurses as of September 2019					
	c. 690k clients From over 5,000 companies	c. 1.5 m visits in 2018 and and 1.4 visits in 9m 2019	c. 75k patients for hospitals business line in 2018 and 62k in 9m 2019	over 5.6 m tests in 2018 and 4.4 m tests in 9m 2019	c. 270k clients in 2018 and 192k in 9m 2019	c. 102k visits in 2018 and 92k in 9m 2019
CASH FOCUSED REVENUES	Sales exposure to NHIH (public money) - 19% as at 9m 2019					
	100% private money	77% private money	67% private money	84% private money	41% private money	100% private money
PROFITABLE	PRO FORMA EBITDA 2018: RON 103.4 mln			PRO FORMA EBITDA 9m 2019: RON 118.9 mln		
	PRO FORMA Sales 2018: RON 804 mln			PRO FORMA Sales 9m 2019 : RON 696 mln		
BALANCED SALES % OF TOTAL PRO-FORMA H1 2019	20%	32%	20%	16%	4%	6%

BUSINESS SEGMENTS

MEDLIFE: A PIONEER IN LARGE SCALE CLINICS AND LARGE SCALE HIGH-END LAB OPERATION



HYPERCLINICS

- One stop shop concept - MedLife hyperclinics includes medical ambulatory specialties, providing in one single place: clinical examinations and imaging
- Hyperclinics have over **20** medical offices and different imaging capabilities: Radiology, Bone Density - DEXA, CT, MRI 3T, 2D-4D ultrasounds, Mammography
- Some of them have associated a Center of Excellence
- Available in all cities with a population of over 150,000 inhabitants
- **20** hyperclinics currently in operation
- Size promotes revenue capture across services and specialties
- Four principles: safety first; integrated team services and database; complexity and innovation; including solutions for difficult patients research and clinical study



CLINICS

- MedLife clinics are generally located in smaller cities or act as satellites for larger clinics
- Usually between **5** and **12** medical offices with sampling point and no Diagnostics and Imaging
- Available mainly in cities with a population of over 80,000 inhabitants
- **49** clinics currently in operation



LABORATORIES

- MedLife central laboratory has the latest and complex automatic line processing biological laboratory tests in Southeastern Europe
- Full range of tests performed from standard blood tests to complex genetic analysis
- Partnership with Cerba laboratory in France (Pasteur)
- Highly complex Centre of Genetics and Medical Biology
- The latest laboratory technologies by Abbott
- A significant lower rapid turnaround time
- The first line includes sorting stations / sampling, centrifugation, analysis and storage
- The only line in Romania comprising analyzers for biochemistry, immunology and coagulation



BUSINESS SEGMENTS

MEDLIFE: LARGEST OPERATOR OF PRIVATE HOSPITALS*



HOSPITALS

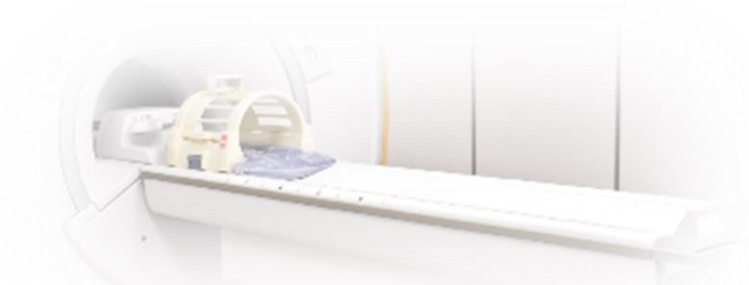
- MedLife hospitals cover a wide range of medical and surgical specializations, reuniting the best medical staff, with significant national and international expertise
- **10** hospitals – 7 inpatient hospitals and 3 day inpatient. Life Memorial Hospital has another 3 licensed external inpatient hospital units located in Titan, Grivita and Obor
- **893** beds for day inpatient and inpatient hospitalization and **31** operating theatres
- Bucharest, Brasov, Arad, Cluj and Sibiu are the main hospitals centers
- Four principles: safety first; integrated team services and database; complexity and innovation; including solutions for difficult patients research and clinical study

INPATIENT UNITS BREAKDOWN**

	LIFE MEMORIAL BUCHAREST Opened 2007	GENESYS ARAD Acquired 2011	EVA BRASOV Acquired 2011	PDR BRASOV Opened 2011	PEDIATRICS BUCHAREST Opened 2011	OBOR BUCHAREST Opened 2012	ANGIOLIFE BUCHAREST Opened 2015
LAND / BUILDING	Owned	Owned	Owned	Owned	Owned	Rented	Rented
BEDS / THEATERS	232/ 10	77 / 3	35 / 3	82 / 3	132 / 2	36 / 3	9/ 1
FOCUS	General	General	Maternity	General	Pediatric	Orthopedics and Plastic Surgery	Interventional Medicine
	TITAN BUCHAREST Opened 2015	HUMANITAS CLUJ Acquired 2017	POLISANO SIBIU Acquired 2018				
LAND / BUILDING	Rented	Rented	Owned				
BEDS / THEATERS	29/ 1	13/ 2	210 / 3				
FOCUS	Surgery and Day Hospitalization	Surgery and Day Hospitalization	General				

*by number of beds

**day inpatient units are not listed



E. 2019 KEY EVENTS

ACQUISITIONS

- 51% of the shares in **RMC Group, Hungary** (*finalized in March 2019*)
- 65% of the shares in **Badea Medica Center of Excellence** in Cluj (*finalized in May 2019*)
- Increase from 55% to 90% shares in **Sama Group, Craiova**
- Increase from 80% to 83% shares in **PDR Group, Brasov**
- Increase from 55% to 58% shares in **Genesys Group, Arad**
- 75% of the shares in **Onco Team Diagnostic, Bucharest** (*finalized in October 2019*)
 - one laboratory; EUR 1.1m Turnover in 2018
- 100% of the shares in **Lotus Hospital, Ploiesti** (*signed in October 2019*)
 - outpatient unit, imaging center, laboratory and hospital (including maternity); EUR 3.9m Turnover in 2018
- 100% of the shares in **Micromedica Medical Center, Moldova region** (*signed in November 2019*)
 - 6 outpatient units with imaging and one laboratory; EUR 3.8m Turnover in 2018

E. 2019 KEY EVENTS (*Cont.*)

ORGANIC GROWTH

- 2 **Dent Estet** clinics in Sibiu – one for adults, one for kids;
- **Floreasca Hyperclinic** in Bucharest- brownfield project (*inaugurated in October 2019*)
- The second **Hyperclinic** in Galati - brownfield project (*inaugurated in November 2019*)

EXPANSION PLANS

- Additional investments in high margin imagistic services: 3 new **MRIs** that serve also under the contract with NHIH, reaching a total number of 18 **MRIs** nationwide

FINANCING FROM BANKS

- Amendment and increase of existing facilities by EUR 24m

II. MARKET OVERVIEW

FAVOURABLE MACROECONOMIC ENVIRONMENT

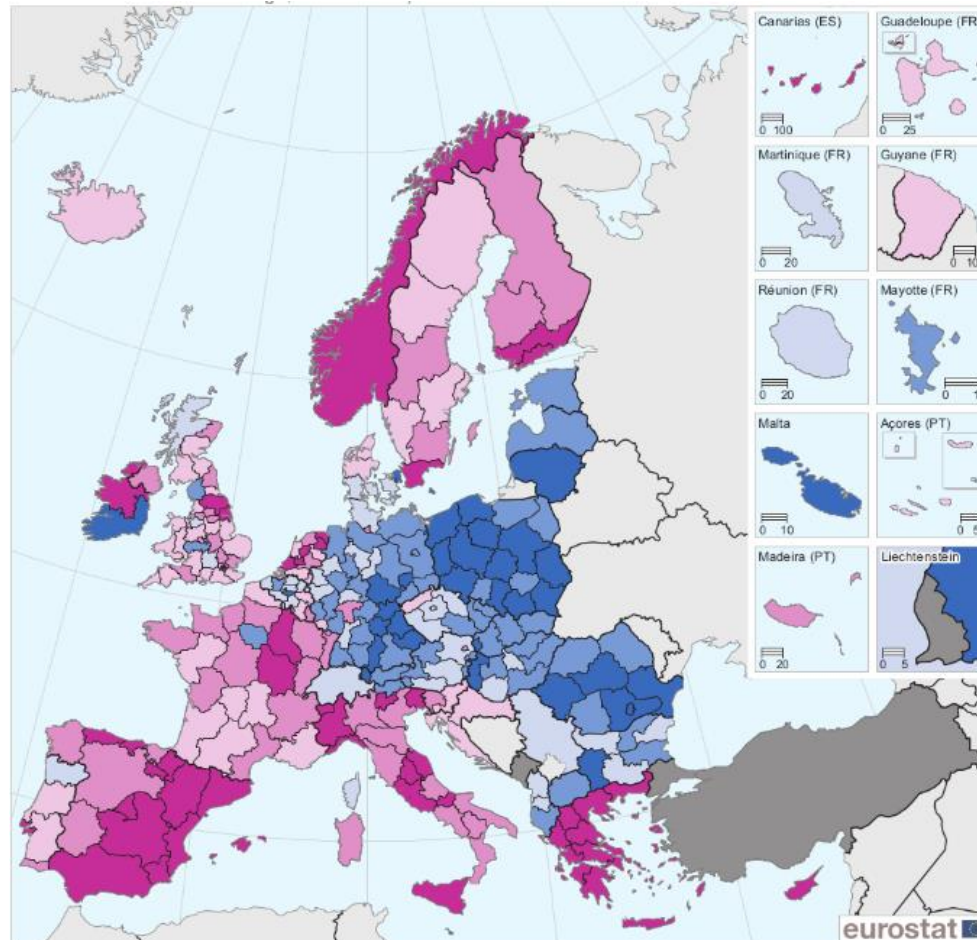
Macroeconomic Environment

- The Romanian economy expanded by 4.1% in 9m 2019 as compared to 9m 2018 and 4.1% YoY in 2018 (2017: 6.9%; 2016: 4.8%) as compared to EU which expanded by 1.9% YoY in 2018. According to European Commission forecasts, Romanian GDP is expected to stabilize at approx. 4% YoY growths, namely 3.8% in 2019 and 3.6% in 2020, as compared to EU – expected growth of 1.4% in 2019 and 1.6% in 2020.
- According to National Bank of Romania, Romania's total external debt is 108 bn euros (long-term external debt totaled 73.8 bn euros as at September 2019 (68.3% of total external debt), while short-term external debt totaled 34.4 bn euros as at September 2019 (31.7% of total external debt). The short-term external debt coverage, calculated at residual value, with NBR foreign exchange reserves as at 30 September 2019, was approx. 75%.
- Romania's average monthly salary is the second lowest in CEE, prompting significant growth potential as the region converges towards WE levels, in conjunction with productivity improvements.
- The private consumption per capita has shown consistent growth rates of 6-8% p.a., driven by the increase of the average net salary, fiscal easing measures and low interest rates and is expected to continue to grow in the long term at a solid pace of 5-6% p.a.

II. MARKET OVERVIEW

FAVOURABLE MACROECONOMIC ENVIRONMENT

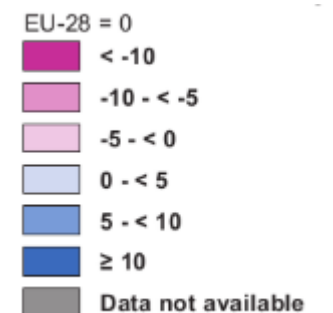
Macroeconomic
Environment



CHANGE OF GDP PER INHABITANT IN PURCHASING POWER STANDARDS (PPS) IN RELATION TO THE EU-28 AVERAGE, 2007-2016

(percentage points difference between 2007 and 2016)

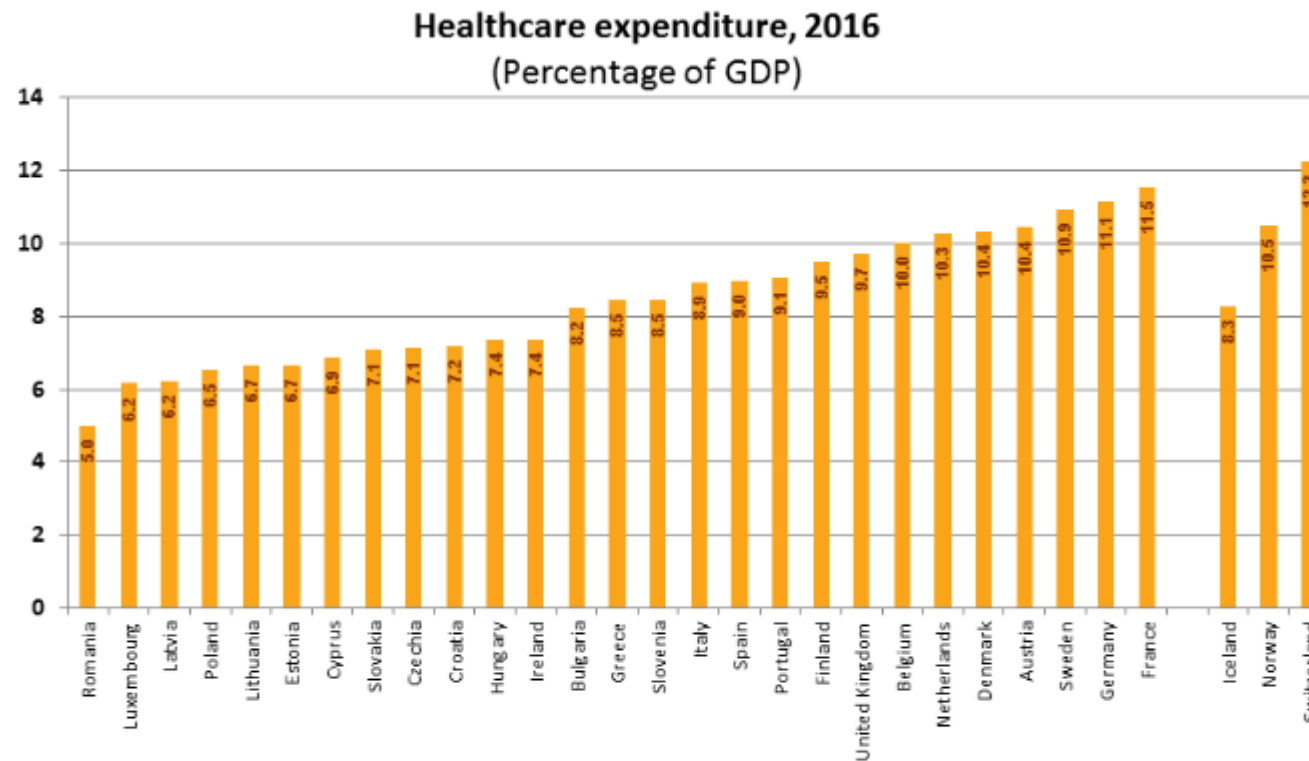
- **Romania** has increased with 5-<10 and more than 10 percentage points in certain regions of the country in relation to the EU-28 average between 2007-2016



II. MARKET OVERVIEW

HEALTHCARE MARKET GROWTH FUNDAMENTALS

Growth fundamentals



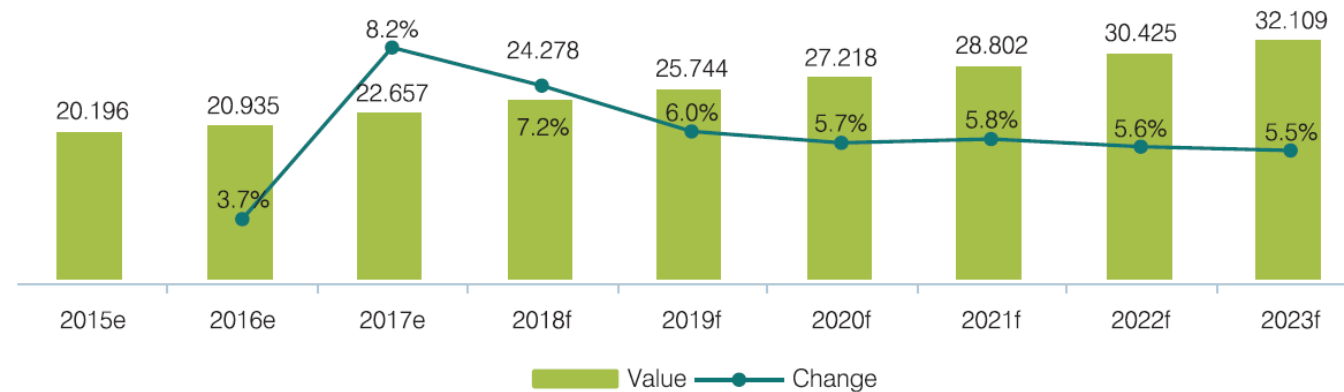
ec.europa.eu/eurostat

- In terms of health care expenditure as a percentage of GDP, the highest figure recorded in 2016 was in France (11.5 %), followed by Germany (11.1 %) and Sweden (10.9 %). The three EU countries with the lowest shares of GDP were **Romania (5.0 %)**, Luxembourg and Latvia (both 6.2 %).
- In terms of healthcare expenditure (EUR per inhabitant), the countries with the lowest health care expenditure per head in 2016 were **Romania (€400)**, Bulgaria (€600) and Poland (€700).

II. MARKET OVERVIEW

HEALTHCARE MARKET ASSESSMENT

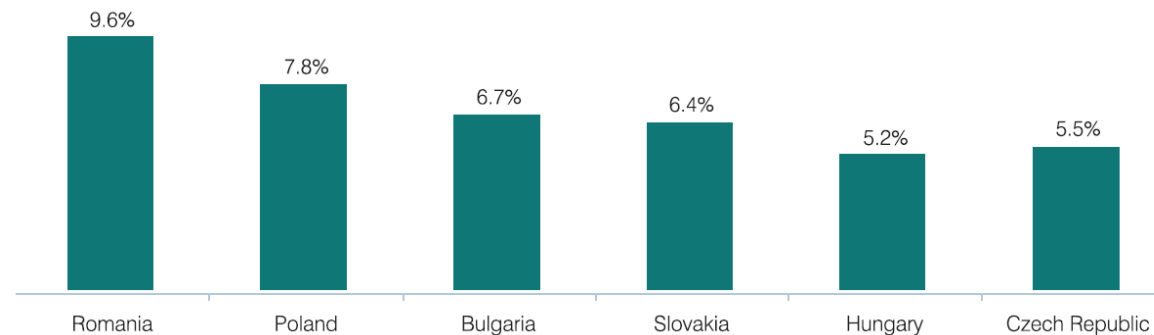
Private healthcare market



Value (EUR bn) and change (%) of the private healthcare market in Central Europe, 2015-2023

Because the development of private investment was boosted by the recently introduced tax deductibility, Romania is now the third largest market among the countries listed below

Outpacing the rest of CE private healthcare markets



Average 2018-2023 CAGR (%) for development in private healthcare markets in CE

III. GROUP FINANCIAL SNAPSHOT

A. 9m 2019 KEY MESSAGES

SALES

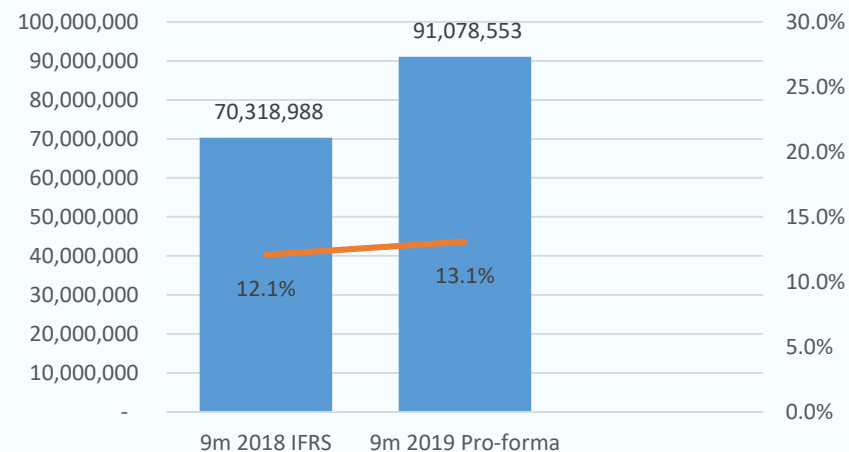
Sales increased by :
 + 20.1% Pro-forma 9m 2019 vs. IFRS 9m 2018
 + 22.7% IFRS 9m 2019 vs. IFRS 9m 2018
 + 14.9% like2like

EBITDA

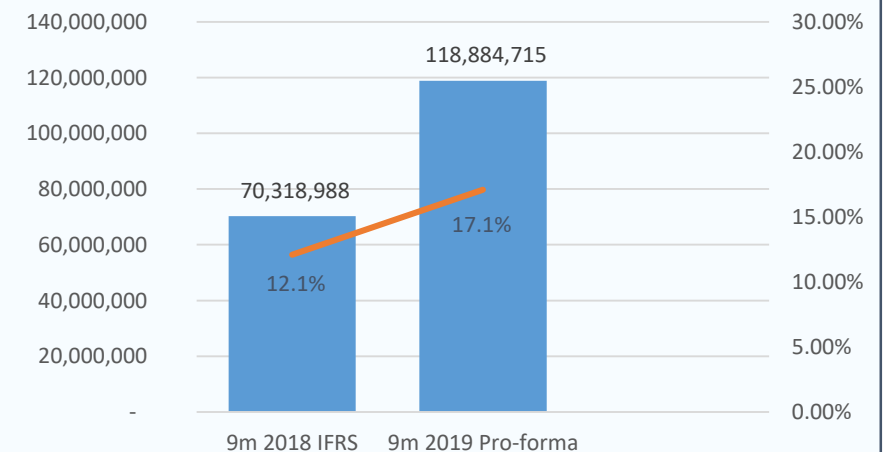
■ **Improved margin:** 13.1% Pro-forma 9m 2019 vs. 12.1% IFRS 9m 2018 (fig_1) **(before IFRS 16)**
 17.1% Pro-forma 9m 2019 vs. 12.1% IFRS 9m 2018 (fig_2) **(after IFRS 16)**

■ **Absolute value of EBITDA higher by:** 29.5% Pro-forma 9m 2019 vs. IFRS 9m 2018 **(before IFRS 16)**
 69.1% Pro-forma 9m 2019 vs. IFRS 9m 2018 **(after IFRS 16)**

EBITDA AND EBITDA MARGIN BEFORE IFRS 16 (fig_1)



EBITDA AND EBITDA MARGIN AFTER IFRS 16 (fig_2)



III. GROUP FINANCIAL SNAPSHOT

A. 9m 2019 KEY MESSAGES (Cont.)

EBITDA

■ Split of **Pro-forma EBITDA** between Owners of the Group / NCI for 9m 2019:

- **90.7%** to Group Owners
- **9.3%** to NCI



■ Pro-forma EBITDA to Group Owners
■ Pro-forma EBITDA to NCI

EBIT

■ **Improved margin:** 6.8% Pro-forma 9m 2019 vs. 4.8% IFRS 9m 2018 **(before IFRS 16)**
7.0% Pro-forma 9m 2019 vs. 4.8% IFRS 9m 2018 **(after IFRS 16)**

■ Absolute value of EBIT **higher** by: 70.3% Pro-forma 9m 2019 vs. IFRS 9m 2018 **(before IFRS 16)**
75.7% Pro-forma 9m 2019 vs. IFRS 9m 2018 **(after IFRS 16)**

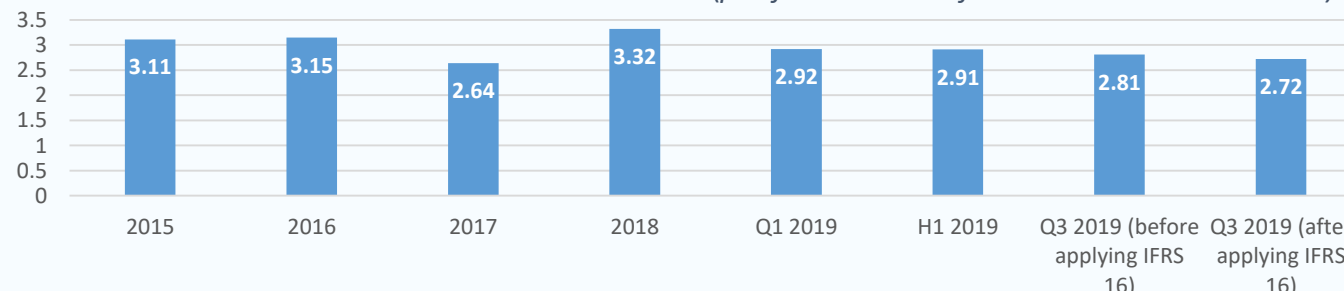
Net Result

■ Improved **Net Result:** increased by 98.4% Pro-forma 9m 2019 vs. IFRS 9m 2018 **(before IFRS 16)** and by 84.8% Pro-forma 9m 2019 vs. IFRS 9m 2018 **(after IFRS 16)**

■ Split of Net Result **IFRS 9m 2019:** 84% Owners / 16% NCI vs. **IFRS 9m 2018:** 76% Owners / 24% NCI

NET DEBT to Pro-forma EBITDA Ratio

■ **Stable** Net Debt to Pro-forma EBITDA Ratio (*pro-forma EBITDA for 9m 2019 was annualized*)



III. GROUP FINANCIAL SNAPSHOT

B. 9m 2019 FINANCIAL RESULTS

Consolidated Statement of Financial Position

Description	December 31, 2018	September 30, 2019	%VAR	Impact from	September 30, 2019	%VAR
	IFRS	IFRS (before applying IFRS 16)		IFRS 16	IFRS	
Non-current assets	590,174,447	603,344,779	2.2%	88,840,599	692,185,378	17.3%
Current assets	163,919,759	197,868,512	20.7%	-	197,868,512	20.7%
TOTAL ASSETS	754,094,206	801,213,291	6.2%	88,840,599	890,053,890	18.0%
Current liabilities	245,246,366	266,472,663	8.7%	27,806,162	294,278,825	20.0%
Long term liabilities	313,538,596	321,455,132	2.5%	62,314,001	383,769,133	22.4%
Deferred tax liability	16,436,342	16,457,838	0.1%	446,067	16,903,905	2.8%
TOTAL LIABILITIES	575,221,304	604,385,633	5.1%	90,566,230	694,951,863	20.8%
Equity attributable to owners of the Group	159,350,814	175,443,004	10.1%	(1,589,342)	173,853,662	9.1%
Non-controlling interests	19,522,088	21,384,654	9.5%	(136,289)	21,248,365	8.8%
EQUITY	178,872,902	196,827,658	10.0%	(1,725,631)	195,102,027	9.1%

III. GROUP FINANCIAL SNAPSHOT

B. 9m 2019 FINANCIAL RESULTS (Cont.)

Consolidated Statement of Profit and Loss

Description	9m 2019			Impact from IFRS 16	9m 2019			9m 2019			9m 2019	
	9m 2018 IFRS	IFRS (before applying IFRS 16)	%VAR		9m 2019 IFRS	%VAR		9m 2018 IFRS	Pro-forma (before applying IFRS 16)	%VAR	Pro-forma	%VAR
Sales	579,340,082	711,042,507	22.7%	-	711,042,507	22.7%		579,340,082	696,019,564	20.1%	696,019,564	20.1%
Other operating income	4,444,375	4,813,817	8.3%	-	4,813,817	8.3%		4,444,375	4,841,235	8.9%	4,841,235	8.9%
OPERATING INCOME	583,784,457	715,856,324	22.6%	-	715,856,324	22.6%		583,784,457	700,860,799	20.1%	700,860,799	20.1%
OPERATING EXPENSES	(555,979,055)	(673,545,434)	21.1%	1,508,356	(672,037,078)	20.9%		(555,979,055)	(653,505,117)	17.5%	(651,996,760)	17.3%
OPERATING PROFIT	27,805,402	42,310,890	52.2%	1,508,356	43,819,246	57.6%		27,805,402	47,355,682	70.3%	48,864,039	75.7%
EBITDA	70,318,988	85,923,727	22.2%	27,806,163	113,729,890	61.7%		70,318,988	91,078,553	29.5%	118,884,715	69.1%
Net finance cost	(11,987,250)	(11,537,432)	(3.8)%	(2,787,920)	(14,325,352)	19.5 %		(11,987,250)	(11,624,622)	(3.0)%	(14,412,542)	20.2 %
Other financial expenses	2,908,186	(4,970,859)	(270.9)%	-	(4,970,859)	(270.9)%		2,908,186	(4,968,180)	(270.8)%	(4,968,180)	(270.8)%
FINANCIAL RESULT	(9,079,064)	(16,508,291)	81.8%	(2,787,920)	(19,296,211)	112.5%		(9,079,064)	(16,592,802)	82.8%	(19,380,722)	113.5%
RESULT BEFORE TAXES	18,726,338	25,802,599	37.8 %	(1,279,564)	24,523,035	31.0 %		18,726,338	30,762,881	64.3 %	29,483,316	57.4%
Income tax expense	(5,952,514)	(4,680,816)	(21.4)%	(446,067)	(5,126,883)	(13.9)%		(5,952,514)	(5,425,446)	(8.9)%	(5,871,513)	(1.4)%
NET RESULT	12,773,824	21,121,783	65.4%	(1,725,631)	19,396,152	51.8%		12,773,824	25,337,434	98.4%	23,611,803	84.8%

III. GROUP FINANCIAL SNAPSHOT

B. 9m 2019 FINANCIAL RESULTS (Cont.)

Consolidated Statement of Cash Flow

Description	September 30, 2018	September 30, 2019
Net income before taxes	18,726,338	24,523,035
Adjustments for non-monetary items	51,301,706	84,442,898
Operating cash flow before working capital and other monetary changes	70,028,044	108,965,933
Cash generated from working capital changes	(17,930,351)	(31,550,882)
Other monetary changes (income tax and net interest paid)	(14,012,888)	(15,277,791)
Net cash from operating activities	38,084,805	62,137,260
Net cash used in investing activities	(54,953,424)	(42,061,002)
Net cash from/ (used in) financing activities	(30,737,443)	(3,124,590)
Net change in cash and cash equivalents	(47,606,062)	16,951,668
Cash and cash equivalents beginning of the period	79,227,766	34,206,159
Cash and cash equivalents end of the period	31,621,704	51,157,827



III. GROUP FINANCIAL SNAPSHOT

B. 9m 2019 FINANCIAL RESULTS (Cont.)

OPEX Evolution

Description	9m 2018 IFRS	9m 2019 IFRS (before applying IFRS 16)	%VAR				% of OPERATING EXPENSES			% of SALES			
				Impact from IFRS 16	9m 2019 IFRS	%VAR	9m 2018 IFRS	9m 2019 IFRS	Change	9m 2018 IFRS	9m 2019 IFRS	Change	Note
Consumable materials and repair materials	90,236,590	115,070,551	27.5 %	-	115,070,551	27.5 %	16.2 %	17.1 %	0.9 p.p	15.6 %	16.2 %	0.6 p.p	
Commodities	21,569,010	22,272,585	3.3 %	-	22,272,585	3.3 %	3.9 %	3.3 %	-0.6 p.p	3.7 %	3.1 %	-0.6 p.p	
Utilities	6,493,754	8,705,259	34.1 %	-	8,705,259	34.1 %	1.2 %	1.3 %	0.1 p.p	1.1 %	1.2 %	0.1 p.p	
Repairs maintenance	6,364,687	8,776,201	37.9 %	-	8,776,201	37.9 %	1.1 %	1.3 %	0.2 p.p	1.1 %	1.2 %	0.1 p.p	
Rent	31,396,835	33,980,829	8.2 %	(27,806,162)	6,174,667	(80.3)%	5.6 %	0.9 %	-4.7 p.p	5.4 %	0.9 %	-4.6 p.p	A
Insurance premiums	1,860,170	2,319,884	24.7 %	-	2,319,884	24.7 %	0.3 %	0.3 %	0 p.p	0.3 %	0.3 %	0 p.p	
Promotion expense	10,870,020	9,407,637	(13.5)%	-	9,407,637	(13.5)%	2.0 %	1.4 %	-0.6 p.p	1.9 %	1.3 %	-0.6 p.p	
Communications	2,778,084	2,975,159	7.1 %	-	2,975,159	7.1 %	0.5 %	0.4 %	-0.1 p.p	0.5 %	0.4 %	-0.1 p.p	
Third party expenses & Salaries expenses, out of which:	332,447,131	415,210,162	24.9 %	-	415,210,162	24.9 %	59.8 %	61.8 %	2 p.p	57.4 %	58.4 %	1 p.p	B
<i>Third party expenses (including doctor's agreements)</i>	<i>149,855,235</i>	<i>192,401,265</i>	<i>28.4 %</i>	-	<i>192,401,265</i>	<i>28.4 %</i>	<i>27.0 %</i>	<i>28.6 %</i>	<i>1.7 p.p</i>	<i>25.9 %</i>	<i>27.1 %</i>	<i>1.2 p.p</i>	
<i>Salary and related expenses (including social contrib.)</i>	<i>182,591,896</i>	<i>222,808,897</i>	<i>22.0 %</i>	-	<i>222,808,897</i>	<i>22.0 %</i>	<i>32.8 %</i>	<i>33.2 %</i>	<i>0.3 p.p</i>	<i>31.5 %</i>	<i>31.3 %</i>	<i>-0.2 p.p</i>	
Depreciation	42,513,586	43,612,837	2.6 %	26,297,806	69,910,643	64.4 %	7.6 %	10.4 %	2.8 p.p	7.3 %	9.8 %	2.5 p.p	C
Other administration and operating expenses	9,449,188	11,214,330	18.7 %	-	11,214,330	18.7 %	1.7 %	1.7 %	0 p.p	1.6 %	1.6 %	-0.1 p.p	
OPERATING EXPENSES	555,979,055	673,545,434	21.1%	(1,508,356)	672,037,078	20.9%	100.0%	100.0%	0 p.p	96.0%	94.5%	-1.5 p.p	

Note:

The Group recorded a 1.5 p.p. decrease of Operating Expenses as % of Sales in 9m 2019 as compared to 9m 2018:

- A. 4.6 p.p. decrease of "Rent" as % of Sales, generated by first time adoption of IFRS 16;
- B. 1.0 p.p. increase of "Third parties and salaries expenses" as % of Sales as an effect of increased salaries in the public sector; and
- C. 2.5 p.p. increase of "Depreciation" as % of Sales, mainly due to first time adoption of IFRS 16.

III. GROUP FINANCIAL SNAPSHOT

B. 9m 2019 FINANCIAL RESULTS (Cont.)

Operational KPIs

Business line	Info	9m 2018 IFRS	9m 2019 IFRS
Clinics	Revenue	169,246,952	215,147,139
Clinics	Visits	1,089,141	1,374,303
Clinics	Avg fee	155.4	156.6
Stomatology	Revenue	33,092,445	44,140,328
Stomatology	Visits	77,677	91,538
Stomatology	Avg fee	426.0	482.2
Hospitals	Revenue	118,168,968	161,867,305
Hospitals	Patients	53,594	61,971
Hospitals	Avg fee	2,204.9	2,612.0
Laboratories	Revenue	101,190,985	113,933,178
Laboratories	Analyses	4,299,054	4,446,584
Laboratories	Avg fee	23.5	25.6
Corporate	Revenue	125,158,490	136,776,660
Corporate	Subscriptions	635,420	691,605
Corporate	Avg fee	197.0	197.8
Pharmacies	Revenue	26,177,756	28,725,215
Pharmacies	Clients	200,324	192,319
Pharmacies	Sales per client	130.7	149.4
Others	Revenue	6,304,486	10,452,681



III. GROUP FINANCIAL SNAPSHOT

C. MISSION STATEMENT & EVOLUTION

	2016 IFRS	2017 IFRS	2018 Pro-forma IFRS
Consistent track record of strong growth of Sales	502.9 mRON	623.2 mRON, increased by 24%	804 mRON, increased by 29%
through acquisitions and organic growth	MedLife units as at 31 December 2016: <ul style="list-style-type: none"> - 18 hyperclinics; - 21 clinics; - 8 hospitals; - 26 labs; - 8 dental offices; <i>and</i> - 9 pharmacies 	MedLife units as at 31 December 2017: <ul style="list-style-type: none"> - 19 hyperclinics; - 34 clinics; - 9 hospitals; - 29 labs; - 9 dental offices; <i>and</i> - 10 pharmacies 	MedLife units as at 31 December 2018: <ul style="list-style-type: none"> - 20 hyperclinics; - 47 clinics; - 10 hospitals; - 33 labs; - 9 dental offices; <i>and</i> - 10 pharmacies
Complex medical system with national coverage	<ul style="list-style-type: none"> - Leading the private medical services market in Romania; - Continued the business plan announced to shareholders and investors regarding consolidation of position at national level: completed 23 acquisitions and numerous organic growth projects; - Presences in all cities with more than 150k inhabitants; - Through RMC acquisition in Hungary, MedLife strengthens its position, being one of the largest healthcare providers in Central and Eastern Europe 		

III. GROUP FINANCIAL SNAPSHOT

C. MISSION STATEMENT & EVOLUTION

	2016 IFRS	2017 IFRS	2018 Pro-forma IFRS
EBITDA evolution in absolute figures	54.6 mRON	77.9 mRON, increased by 43%	103.4 mRON, increased by 32.7%
Sustainable and improved EBITDA margin	10.9% EBITDA margin	12.5% EBITDA margin	12.9% EBITDA margin