



**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

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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, thus being one of the largest private healthcare companies in Central and Eastern Europe.



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.

* by Sales figures

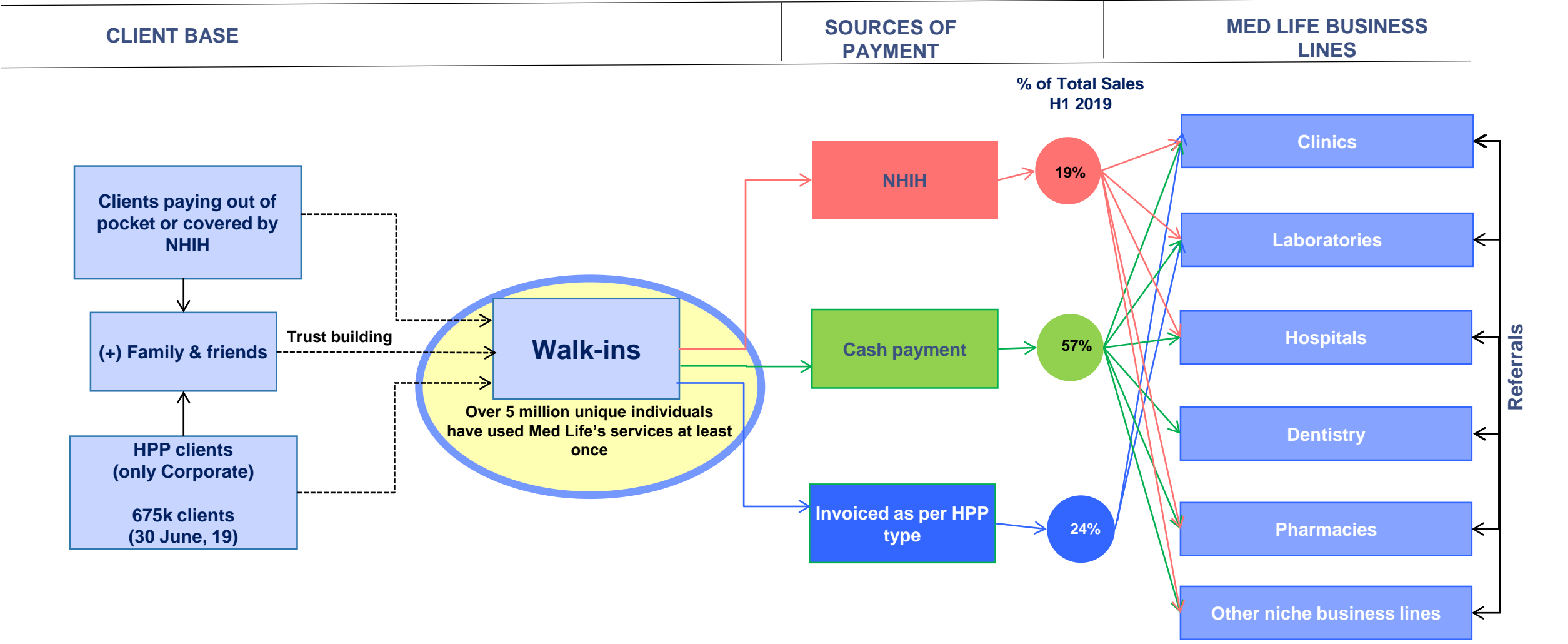
A. KEY INVESTMENT HIGHLIGHTS



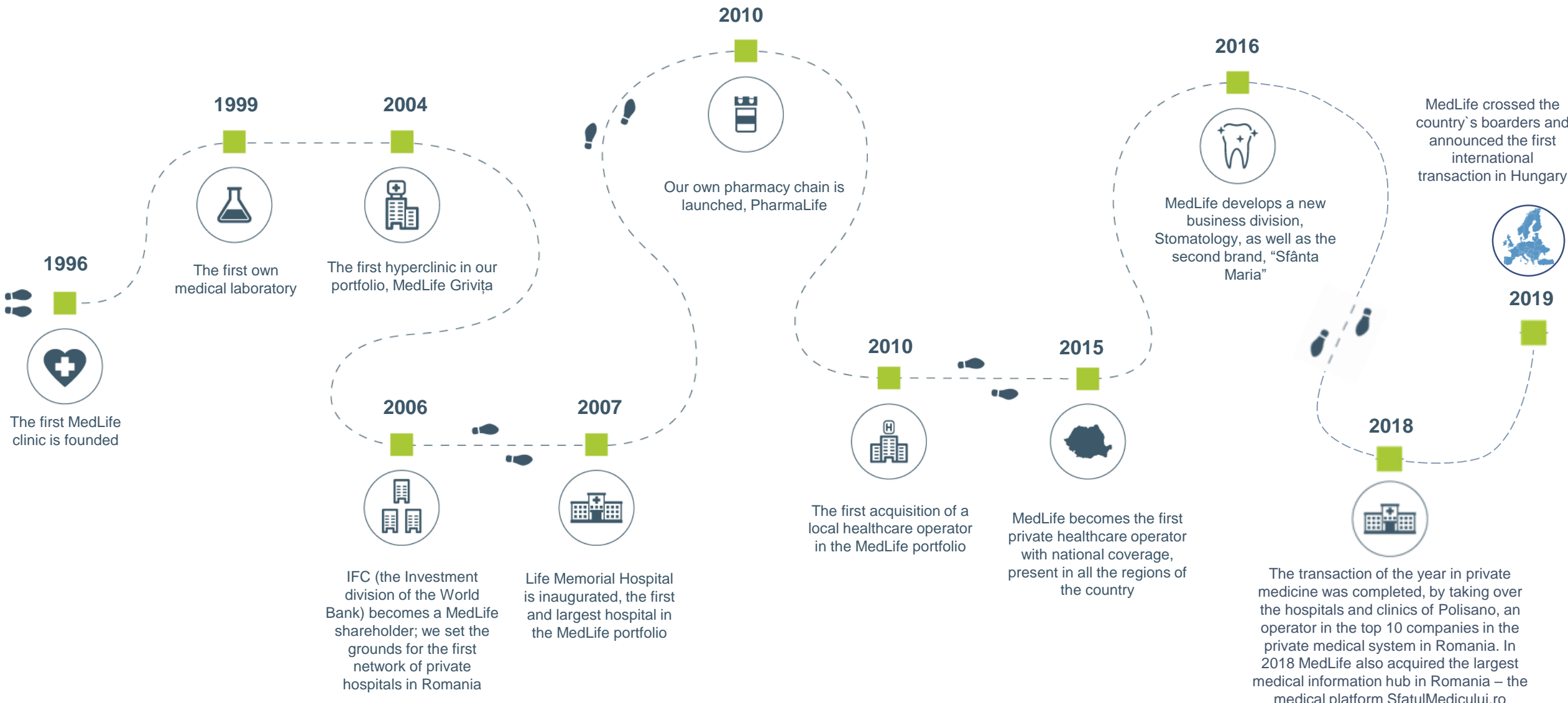
1	Romania – attractive & growing healthcare market	<ul style="list-style-type: none"> Expected - highest growth of healthcare market in CEE with a CAGR for private healthcare of 9.6% over 2018 – 2023 																
2	MedLife - the leading private healthcare operator in Romania and one of the largest players in CEE	<ul style="list-style-type: none"> Pro-Forma Sales 2018: RON 804 mln Pro-Forma Sales H1 2019 : RON 460.8 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	<p>Pro-forma H1 2019 Sales</p> <table border="1"> <caption>Pro-forma H1 2019 Sales by Business Line</caption> <thead> <tr> <th>Business Line</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Clinics</td> <td>32%</td> </tr> <tr> <td>Hospitals</td> <td>20%</td> </tr> <tr> <td>Corporate</td> <td>20%</td> </tr> <tr> <td>Laboratories</td> <td>16%</td> </tr> <tr> <td>Stomatology</td> <td>6%</td> </tr> <tr> <td>Pharmacies</td> <td>4%</td> </tr> <tr> <td>Other</td> <td>1%</td> </tr> </tbody> </table>	Business Line	Percentage	Clinics	32%	Hospitals	20%	Corporate	20%	Laboratories	16%	Stomatology	6%	Pharmacies	4%	Other	1%
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Stomatology	6%																	
Pharmacies	4%																	
Other	1%																	
4	Largest HPP client base and facility portfolio in Romania	<ul style="list-style-type: none"> >675k HPP clients from >5,000 companies >5 mln unique patients in the past 20 years 																
5	MedLife sales- mostly from the private sector	<p>Based on H1 2019 Sales</p> <table border="1"> <caption>Based on H1 2019 Sales by Source</caption> <thead> <tr> <th>Source</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Private money (Cash)</td> <td>57%</td> </tr> <tr> <td>Private money (HPP)</td> <td>24%</td> </tr> <tr> <td>Public money (State - NHIH)</td> <td>19%</td> </tr> </tbody> </table>	Source	Percentage	Private money (Cash)	57%	Private money (HPP)	24%	Public money (State - NHIH)	19%								
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Public money (State - NHIH)	19%																	
6	Track record of successful management of organic growth and acquisitions	<ul style="list-style-type: none"> 20 hyperclinics, 49 clinics, 10 hospitals, 33 labs, approx 200 sampling points, 12 dental clinics, 10 pharmacies as at June 2019 Strong track record of acquisitions: 23 acquisitions completed as of June 2019 																

THE LARGEST ECOSYSTEM ON THE PRIVATE HEALTHCARE MARKET

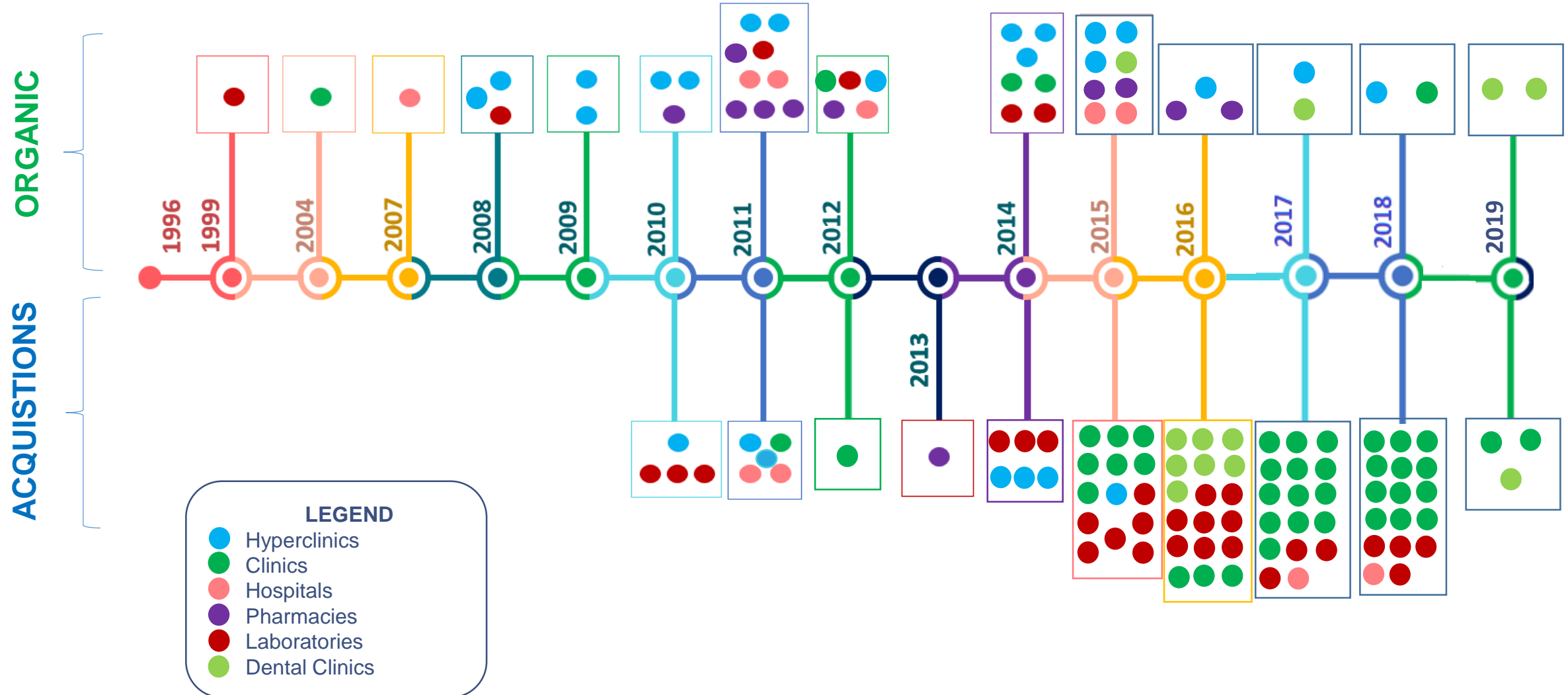
Unique Revenue Capture Model - Flow of Referrals Among Business Lines



B. HOW WE GREW



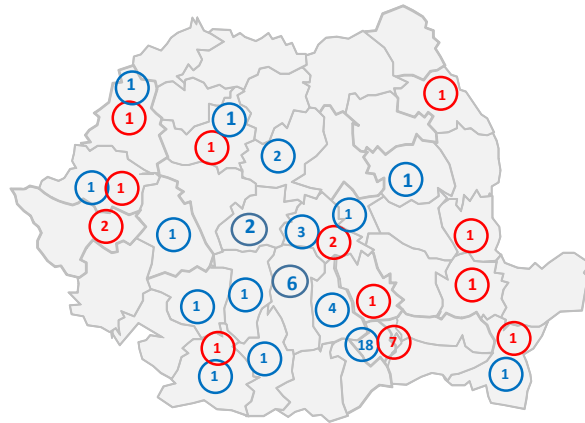
SUCCESSFUL TRACK RECORD IN MANAGEMENT OF ORGANIC GROWTH AND ACQUISITIONS



* data as at June 2019

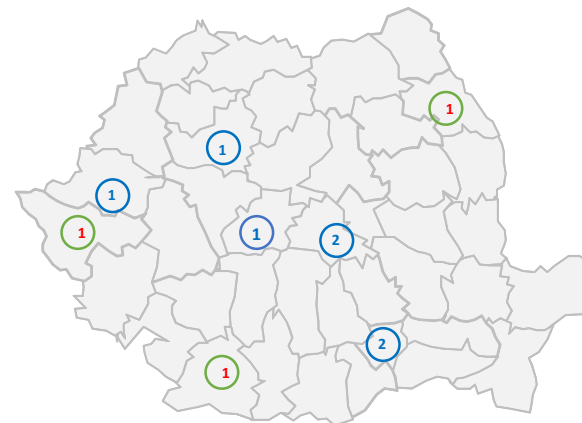
NATIONAL FOOTPRINT CAPTURES GROWTH IN ALL REGIONS

HYPERCLINICS/CLINICS



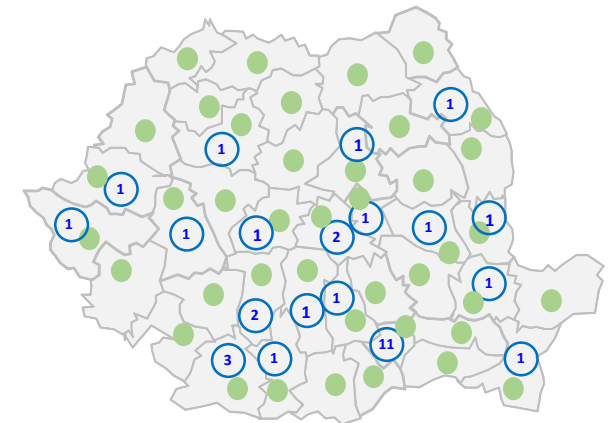
Legend: Hyperclinics Clinics

HOSPITALS



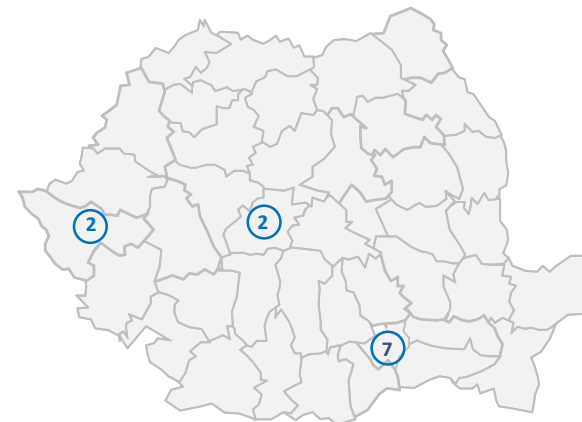
Legend: Day inpatient Inpatient

LABORATORIES & SPS



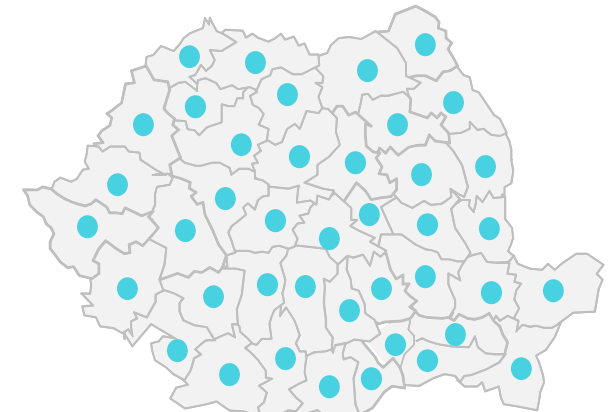
Legend: Laboratories Sampling Points

DENTAL CLINICS

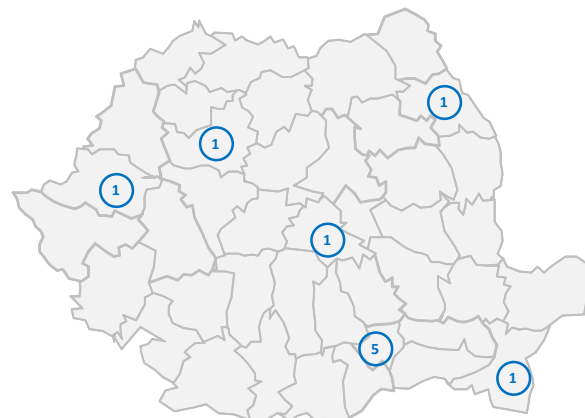


Legend: Dental clinics

NET LIFE COVERAGE (PARTNERSHIP NETWORK)



Legend: Presence of Net Life partners



Legend: Pharmacies

* data as at June 2019

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 June 2019					
	c. 675k clients From over 5,000 companies	c. 1.5 m visits in 2018 and 899k visits in H1 2019	c. 75k patients for hospitals business line in 2018 and 42k in H1 2019	over 5.6 m tests in 2018 and 3 m tests in H1 2019	c. 270k clients in 2018 and 132k in H1 2019	c. 102k visits in 2018 and 60k in H1 2019
CASH FOCUSED REVENUES	Sales exposure to NHIH (public money) - 19% as at H1 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 H1 2019: RON 78.3 mln		
	PRO FORMA Sales 2018: RON 804 mln			PRO FORMA Sales H1 2019 : RON 460.8 mln		
BALANCED SALES % OF TOTAL PRO-FORMA H1 2019	20%	32%	20%	16%	4%	6%

Source: Company data

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

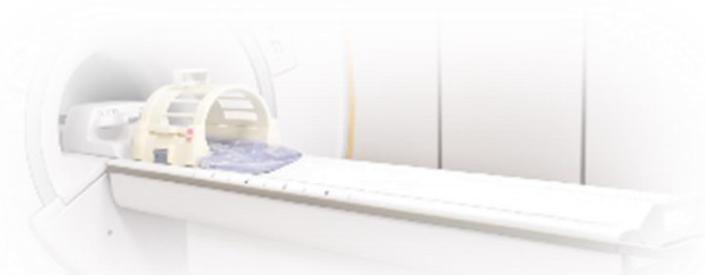
- MedLife hospitals cover a wide range of medical and surgical specializations, reuniting the best medical staff, with significant national and international expertise
- **10** hospitals – 7 inpatient hospitals and 3 day inpatient. Life Memorial Hospital has another 3 licensed external inpatient hospital 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	GENESYS ARAD	EVA BRASOV	PDR BRASOV	PEDIATRICS BUCHAREST	OBOR BUCHAREST	ANGIOLIFE BUCHAREST
	Opened 2007	Acquired 2011	Acquired 2011	Opened 2011	Opened 2011	Opened 2012	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	HUMANITAS CLUJ	POLISANO SIBIU				
	Opened 2015	Acquired 2017	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**

ORGANIC GROWTH

- 2 **Dent Estet** clinics in Sibiu – one for adults, one for kids; and
- **Floreasca Hyperclinic** in Bucharest- brownfield project- to be inaugurated in Q3 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

- Board of Directors started the negotiations with the Banks of the terms and conditions for the increase of the credit limit granted up to 90m EUR

II. MARKET OVERVIEW

FAVOURABLE MACROECONOMIC ENVIRONMENT

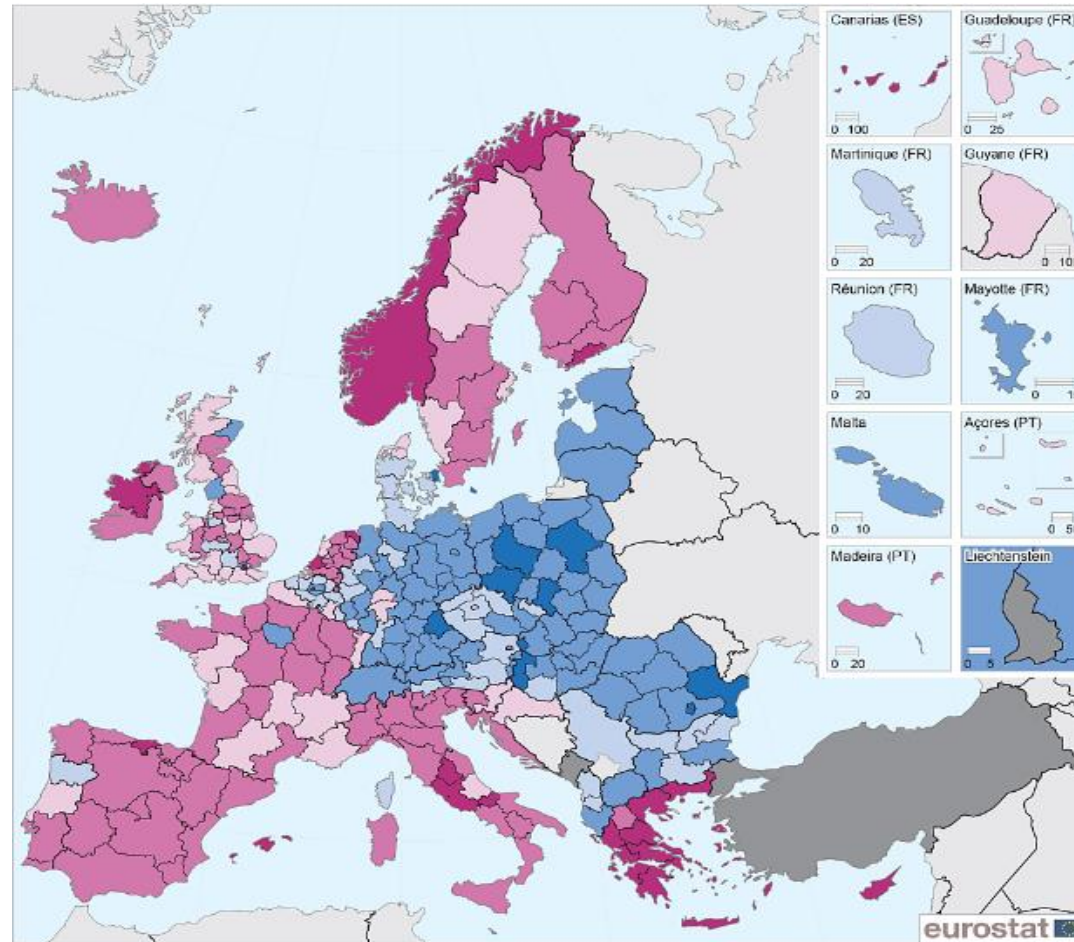
Macroeconomic Environment

- The Romanian economy expanded by 4.7% in H1 2019 as compared to H1 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 103 bn euros (long-term external debt totaled 70.361 bn euros as at June 2019 (67.9% of total external debt), while short-term external debt totaled 33.310 bn euros as at June 2019 (32.1% of total external debt). The short-term external debt coverage, calculated at residual value, with NBR foreign exchange reserves as at 30 June 2019, was 73%.
- 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.

MARKET OVERVIEW

FAVOURABLE MACROECONOMIC ENVIRONMENT

Macroeconomic Environment



CHANGE OF GDP PER INHABITANT IN PURCHASING POWER STANDARDS (PPS) IN RELATION TO THE EU-28 AVERAGE, 2007-2015

(percentage points difference between 2007 and 2015)

- **Romania** has increased with 5-15 percentage points & even higher than 15 percentage points in certain regions of the country in relation to the EU-28 average between 2007-2015

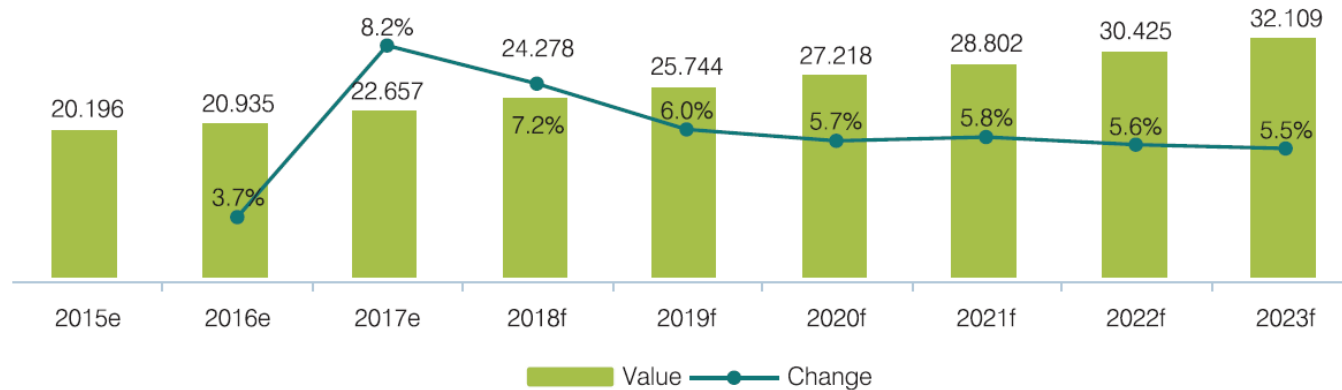


Source: Eurostat

MARKET OVERVIEW

HEALTHCARE MARKET ASSESSMENT

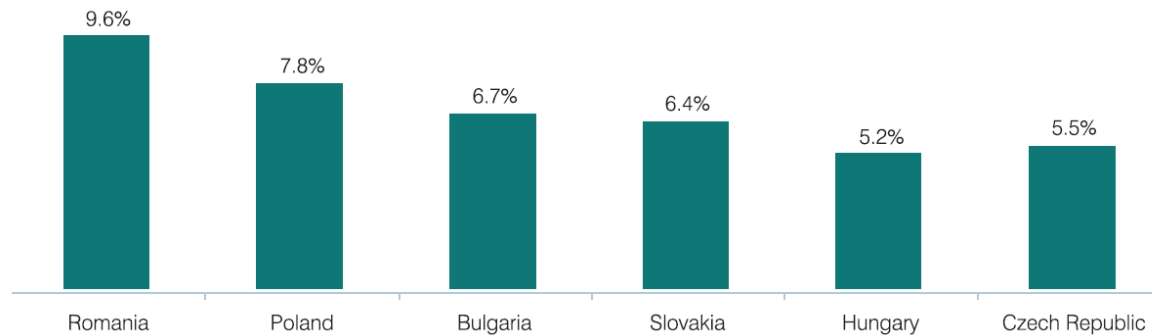
Private healthcare market



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

Source: PMR Report 2018

MARKET OVERVIEW

HEALTHCARE MARKET GROWTH FUNDAMENTALS

Private healthcare market

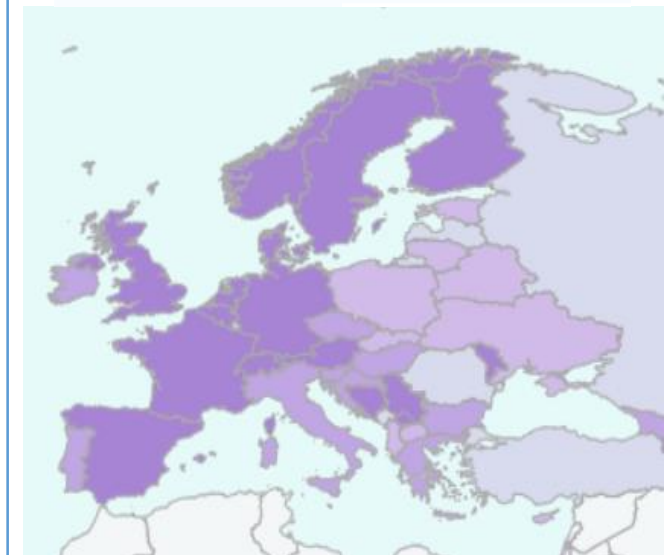
The **Romanian private healthcare** industry has developed considerably over the last few years.

Opportunities include:

- A reduction in the levels of satisfaction of patients with public services and the development of new national programmes;
- The slowly changing mentality of patients, who are becoming increasingly better informed and requesting integrated and personalised medical services. These can be offered only by the private sector, which is, therefore, attracting these patients;
- The economic recovery characterized by an increase in the average net salary per inhabitant and an increase in the average monthly expenditure per household combined with a low healthcare spending as a percentage of GDP, leaving room for more income to be spent on healthcare; and
- Tax incentives introduced in 2017 – deductibility for HPP up to 400 EUR per year per employee.

Current health expenditure as percentage of GDP, 2015

Legend (%)



III. GROUP FINANCIAL SNAPSHOT

A. H1 2019 FINANCIAL RESULTS

SALES

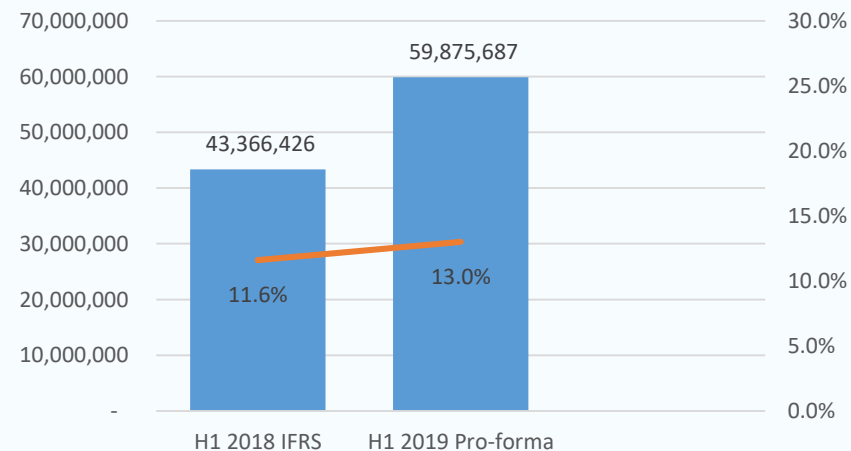
Sales increased by :
 + 23.4% Pro-forma H1 2019 vs. IFRS H1 2018
 + 25.4% IFRS H1 2019 vs. IFRS H1 2018
 + 15% like2like

EBITDA

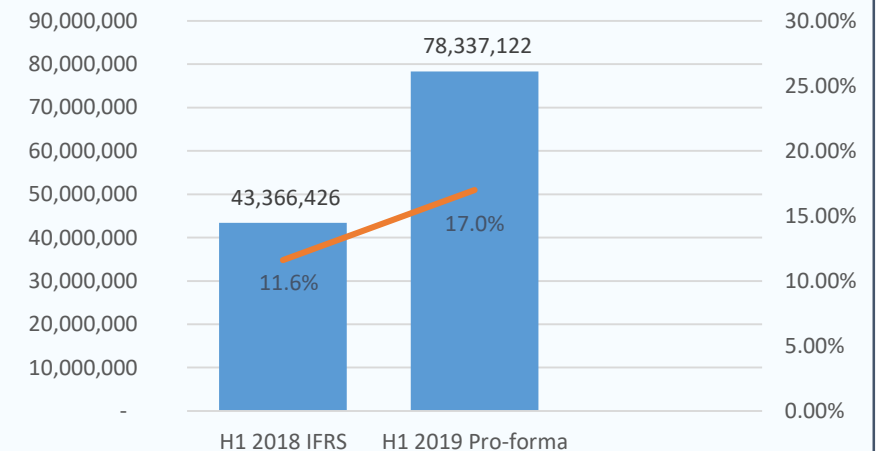
■ Improved margin: Before applying IFRS 16: 13% Pro-forma H1 2019 vs. 11.6% IFRS H1 2018 (fig_1 below)
After applying IFRS 16: 17% Pro-forma H1 2019 vs. 11.6% IFRS H1 2018 (fig_2 below)

■ Absolute value of EBITDA increased by: Before applying IFRS 16: 38.1% Pro-forma H1 2019 vs. IFRS H1 2018
After applying IFRS 16: 80.6% Pro-forma H1 2019 vs. IFRS H1 2018

EBITDA AND EBITDA MARGIN BEFORE APPLYING IFRS 16 (fig_1)



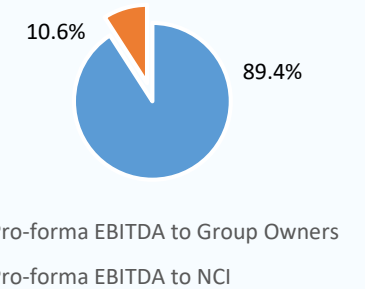
EBITDA AND EBITDA MARGIN AFTER APPLYING IFRS 16 (fig_2)



H1 2019 FINANCIAL RESULTS (Cont.)

EBITDA

- Split of **Pro-forma EBITDA** between Owners of the Group / NCI for H1 2019:
 - **89.4%** to Group Owners
 - **10.6%** to NCI
- Vs.**
- **88.3%** to Group Owners for IFRS H1 2018
- **11.7%** to NCI for IFRS H1 2018

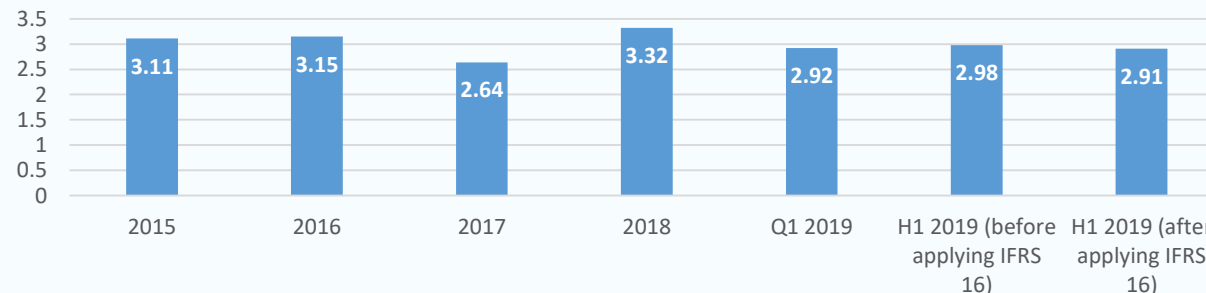


EBIT

- **Improved margin:** Before applying IFRS 16: 6.8% Pro-forma H1 2019 vs. 4.6% IFRS H1 2018
After applying IFRS 16: 7.0% Pro-forma H1 2019 vs. 4.6% IFRS H1 2018
- **Absolute value of EBIT increased by:** Before applying IFRS 16: 84% Pro-forma H1 2019 vs. IFRS H1 2018
After applying IFRS 16: 89.9% Pro-forma H1 2019 vs. IFRS H1 2018
- **Positive evolution in EBIT and EBITDA** due to optimization efforts across all business lines and stability behavior in Depreciation.

NET DEBT to Pro-forma EBITDA Ratio

- **Stable Net Debt to Pro-forma EBITDA Ratio** (*pro-forma EBITDA for 6m 2019 was annualized*)



H1 2019 FINANCIAL RESULTS (Cont.)

NET RESULT

- Absolute value of Net Result **increased** by: Before applying IFRS 16: 150.4% Pro-forma H1 2019 vs. IFRS H1 2018
After applying IFRS 16: 130.2% Pro-forma H1 2019 vs. IFRS H1 2018

NET RESULT attributable to Owners and NCI

- Split of Net Result IFRS H1 2019, before applying IFRS 16: 69% Owners / 31% NCI
- Split of Net Result IFRS H1 2019, after applying IFRS 16: 67% Owners / 33% NCI
- Split of Net Result IFRS Q1 2019: 40% Owners / 60% NCI
- Split of Net Result IFRS 2018: 80% Owners / 20% NCI
- Split of Net Result IFRS H1 2018: 66% Owners / 34% NCI

Net attributable profit to Owners has improved as compared to Q1 2019, nevertheless still being influenced by increased Financial Loss coming from:

1. Other financial expenses (i.e. loss from FX rate differences) in amount of **4.4m** RON in H1 2019 as compared to **315k** RON financial income in H1 2018; and
2. IFRS 16 Impact on Financial Result of **1.9m** RON in H1 2019.

H1 2019 FINANCIAL RESULTS (Cont.)

Consolidated Statement of Financial Position

Description	December 31, 2018	June 30, 2019	%VAR	Impact from	June 30, 2019	%VAR
	IFRS	IFRS (before applying IFRS 16)		IFRS 16	IFRS	
Non-current assets	590,174,447	601,757,252	2.0%	97,680,895	699,438,147	18.5%
Current assets	163,919,759	184,253,799	12.4%	-	184,253,799	12.4%
TOTAL ASSETS	754,094,206	786,011,051	4.2%	97,680,895	883,691,946	17.2%
Current liabilities	245,246,366	261,589,974	6.7%	36,678,022	298,267,996	21.6%
Long term liabilities	313,538,596	320,223,945	2.1%	61,925,086	382,149,031	21.9%
Deferred tax liability	16,436,342	16,457,838	0.1%	308,182	16,766,020	2.0%
TOTAL LIABILITIES	575,221,304	598,271,757	4.0%	98,911,290	697,183,047	21.2%
Equity attributable to owners of the Group	159,350,814	165,180,726	3.7%	(1,130,765)	164,049,961	2.9%
Non-controlling interests	19,522,088	22,558,568	15.6%	(99,631)	22,458,937	15.0%
EQUITY	178,872,902	187,739,294	5.0%	(1,230,395)	186,508,899	4.3%

IFRS 16 adjustments:

1. Right-of-use asset : 97,680,895 RON;
2. Lease liability (current and long term): 98,603,108 RON;
3. Deferred tax liability: 308,182 RON; and
4. Impact in net result: (1,230,395) RON.

H1 2019 FINANCIAL RESULTS (Cont.)

Consolidated Statement of Profit and Loss

Description	H1 2019			Impact from IFRS 16	H1 2019			H1 2019			H1 2019	
	H1 2018 IFRS	IFRS (before applying IFRS 16)	%VAR		H1 2019 IFRS	%VAR	H1 2018 IFRS	Pro-forma (before applying IFRS 16)	%VAR	Pro-forma	%VAR	
Sales	373,549,456	468,294,294	25.4%	-	468,294,294	25.4%	373,549,456	460,796,701	23.4%	460,796,701	23.4%	
Other operating income	1,975,206	3,893,238	97.1%	-	3,893,238	97.1%	1,975,206	3,922,882	98.6%	3,922,882	98.6%	
OPERATING INCOME	375,524,662	472,187,532	25.7%	-	472,187,532	25.7%	375,524,662	464,719,583	23.8%	464,719,583	23.8%	
OPERATING EXPENSES	(358,464,646)	(445,070,467)	24.2%	1,003,926	(444,066,541)	23.9%	(358,464,646)	(433,334,408)	20.9%	(432,330,483)	20.6%	
OPERATING PROFIT	17,060,016	27,117,065	59.0%	1,003,926	28,120,991	64.8%	17,060,016	31,385,176	84.0%	32,389,100	89.9%	
EBITDA	43,366,426	55,497,547	28.0%	18,461,436	73,958,983	70.5%	43,366,426	59,875,687	38.1%	78,337,122	80.6%	
FINANCIAL RESULT	(7,468,780)	(12,432,349)	66.5%	(1,926,139)	(14,358,488)	92.2%	(7,468,780)	(12,508,512)	67.5%	(14,434,651)	93.3%	
RESULT BEFORE TAXES	9,591,236	14,684,716	53.1 %	(922,213)	13,762,503	43.5 %	9,591,236	18,876,664	96.8 %	17,954,450	87.2%	
Income tax expense	(3,517,089)	(2,980,408)	(15.3)%	(308,182)	(3,288,590)	(6.5)%	(3,517,089)	(3,665,479)	4.2 %	(3,973,661)	13.0%	
NET RESULT	6,074,147	11,704,308	92.7%	(1,230,395)	10,473,913	72.4%	6,074,147	15,211,185	150.4%	13,980,789	130.2%	

IFRS 16 adjustments:

1. Rent: release of 18,461,436 RON from Rent expense;
2. Depreciation: additional 17,457,510 RON in Depreciation expense;
3. EBITDA: increase of 18,461,436 RON;
4. Financial result: additional 1,926,139 RON in Finance Cost; and
5. Income tax expense: additional 308,182 RON in Income tax expense.

H1 2019 FINANCIAL RESULTS (Cont.)

Consolidated Statement of Cash Flow

Description	June 30, 2019	June 30, 2018
Net income before taxes	13,762,503	9,591,236
Adjustments for non-monetary items	57,698,787	33,649,077
Operating cash flow before working capital and other monetary changes	71,461,290	43,240,313
Cash generated from working capital changes	(19,395,945)	(10,935,438)
Other monetary changes (income tax and net interest paid)	(10,824,451)	(10,068,311)
Net cash from operating activities	41,240,894	22,236,564
Net cash used in investing activities	(27,777,898)	(38,114,520)
Net cash from/ (used in) financing activities	(4,599,538)	(30,276,447)
Net change in cash and cash equivalents	8,863,458	(46,154,403)
Cash and cash equivalents beginning of the period	34,206,159	79,227,766
Cash and cash equivalents end of the period	43,069,617	33,073,363



H1 2019 FINANCIAL RESULTS (Cont.)

OPEX Evolution

Description	H1 2019			Impact from IFRS 16			% of OPERATING EXPENSES			% of SALES			
	H1 2018 IFRS	IFRS (before applying IFRS 16)	%VAR	Impact from IFRS 16	H1 2019 IFRS	%VAR	H1 2018 IFRS	H1 2019 IFRS	Change	H1 2018 IFRS	H1 2019 IFRS	Change	Note
Consumable materials and repair materials	58,076,149	76,031,057	30.9%	-	76,031,057	30.9%	16.2%	17.1%	0.9 p.p	15.5%	16.2%	0.7 p.p	
Commodities	14,382,449	15,366,400	6.8%	-	15,366,400	6.8%	4.0%	3.5%	-0.6 p.p	3.9%	3.3%	-0.6 p.p	
Utilities	4,460,621	5,958,792	33.6%	-	5,958,792	33.6%	1.2%	1.3%	0.1 p.p	1.2%	1.3%	0.1 p.p	
Repairs maintenance	3,876,102	5,688,967	46.8%	-	5,688,967	46.8%	1.1%	1.3%	0.2 p.p	1.0%	1.2%	0.2 p.p	
Rent	21,217,514	22,288,083	5.0%	(18,461,436)	3,826,647	-82.0%	5.9%	0.9%	-5.1 p.p	5.7%	0.8%	-4.9 p.p	A
Insurance premiums	1,212,528	1,530,405	26.2%	-	1,530,405	26.2%	0.3%	0.3%	0 p.p	0.3%	0.3%	0 p.p	
Promotion expense	7,184,824	6,148,989	-14.4%	-	6,148,989	-14.4%	2.0%	1.4%	-0.6 p.p	1.9%	1.3%	-0.6 p.p	
Communications	1,842,591	2,016,807	9.5%	-	2,016,807	9.5%	0.5%	0.5%	-0.1 p.p	0.5%	0.4%	-0.1 p.p	
Third party expenses & Salaries expenses, out of which:	213,500,727	272,985,203	27.9%	-	272,985,203	27.9%	59.6%	61.5%	1.9 p.p	57.2%	58.3%	1.1 p.p	B
<i>Third party expenses (including doctor's agreements)</i>	<i>98,284,039</i>	<i>125,927,709</i>	<i>28.1%</i>	-	<i>125,927,709</i>	<i>28.1%</i>	<i>27.4%</i>	<i>28.4%</i>	<i>0.9 p.p</i>	<i>26.3%</i>	<i>26.9%</i>	<i>0.6 p.p</i>	
<i>Salary and related expenses (including social contrib.)</i>	<i>115,216,688</i>	<i>147,057,494</i>	<i>27.6%</i>	-	<i>147,057,494</i>	<i>27.6%</i>	<i>32.1%</i>	<i>33.1%</i>	<i>1 p.p</i>	<i>30.8%</i>	<i>31.4%</i>	<i>0.6 p.p</i>	
Depreciation	26,306,410	28,380,482	7.9%	17,457,510	45,837,992	74.2%	7.3%	10.3%	3 p.p	7.0%	9.8%	2.7 p.p	C
Other administration and operating expenses	6,404,731	8,675,283	35.5%	-	8,675,283	35.5%	1.8%	2.0%	0.2 p.p	1.7%	1.9%	0.1 p.p	
OPERATING EXPENSES	358,464,646	445,070,467	24.2%	(1,003,926)	444,066,541	23.9%	100%	100%	0 p.p	96.0%	94.8%	-1.1 p.p	

Note:

The Group recorded a 1.1 p.p. decrease of Operating Expenses as % of Sales in H1 2019 as compared to H1 2018:

- A. 4.9 p.p. decrease of "Rent" as % of Sales, generated by first time adoption of IFRS 16;
- B. 1.1 p.p. increase of "Third parties and salaries expenses" as % of Sales as an effect of increased salaries in the public sector; and
- C. 2.7 p.p. increase of "Depreciation" as % of Sales, mainly due to first time adoption of IFRS 16.

H1 2019 FINANCIAL RESULTS (Cont.)

KEY OPERATIONAL METICS FOR H1 2019

Business line	Info	H1 2019 IFRS	H1 2018 IFRS
Clinics	Revenue	139,893,313	107,489,756
Clinics	Visits	899,257	702,745
Clinics	Avg fee	155.6	153.0
Stomatology	Revenue	28,815,355	21,432,948
Stomatology	Visits	59,871	52,334
Stomatology	Avg fee	481.3	409.5
Hospitals	Revenue	107,025,708	74,386,210
Hospitals	Patients	41,638	33,998
Hospitals	Avg fee	2,570.4	2,188.0
Laboratories	Revenue	75,561,558	66,939,058
Laboratories	Analyses	2,969,079	2,898,322
Laboratories	Avg fee	25.4	23.1
Corporate	Revenue	91,004,382	82,077,433
Corporate	Subscriptions	676,276	614,756
Corporate	Avg fee	134.6	133.5
Pharmacies	Revenue	19,586,689	17,346,771
Pharmacies	Clients	132,080	138,632
Pharmacies	Sales per client	148.3	125.1
Others	Revenue	6,407,290	3,877,280



B. 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	<p>MedLife units as at 31 December 2016:</p> <ul style="list-style-type: none"> - 18 hyperclinics; - 21 clinics; - 8 hospitals; - 26 labs; - 8 dental offices; <i>and</i> - 9 pharmacies 	<p>MedLife units as at 31 December 2017:</p> <ul style="list-style-type: none"> - 19 hyperclinics; - 34 clinics; - 9 hospitals; - 29 labs; - 9 dental offices; <i>and</i> - 10 pharmacies 	<p>MedLife units as at 31 December 2018:</p> <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 20 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 		

MISSION STATEMENT & EVOLUTION *(Cont.)*

	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

Thank you!

