MED LIFE GROUP

PRO FORMA FINANCIAL INFORMATION

FOR THE PERIOD ENDED 12 MONTHS

AT 31 DECEMBRE 2017

Introduction

The following Consolidated Pro Forma PL of the Consolidated PL is based on the Group's Consolidated FS for the 12 month period ended on 31 December 2017, adjusted with the historical financial results of the company acquired by the Group during the period from 1 January 2017 up to 31 December 2017 (the "**Acquired Company**"). Details of the Acquired Company are set out below.

The Consolidated Pro Forma PL for the 12 month ended 31 December 2017 transpose (i) the acquisition of the Acquired Company as if the acquisition had occurred on 1 January 2017 by combining the financial results for the period of the Acquired Company with those of the Group and (ii) the elimination of certain expenses included in the Consolidated PL of the Group which the Group considers to be non-operational and/or non-recurring in nature.

The Consolidated Pro Forma PL provide a hypothetical illustration of the impact of the transactions on the Company's earnings. The Consolidated Pro Forma PL has been prepared for the Group as at and for the 12 month period ended 31 December 2017. The Consolidated Pro Forma PL should be read in conjunction with the Consolidated FS for the 12 month period ended 31 December 2017.

Purpose of the Consolidated Pro Forma PL

The Consolidated Pro Forma PL set out below has been prepared to (i) illustrate the effect on the Group of the acquisition completed in 12 months 2017 and (ii) provide an estimate of the Group's recurring EBITDA.

The Group's unaudited consolidated pro forma Adjusted EBITDA is also useful when analyzing the Group's current debt compared to its earnings capacity. Although the Consolidated BS in the Consolidated FS include the full amount of debt incurred to finance the acquisition completed as of 31 December 2017, the Consolidated PL includes only a portion of the annual earnings of the Acquired Company. Using the unaudited consolidated pro forma Adjusted EBITDA for such comparison allows inclusion of a measure of the full period earnings that will contribute to the servicing of the debt incurred in relation to the acquisition.

In the first 12 months of 2017, the Company made the following acquisition in pursuit of a consolidation strategy aimed at complementing the Group's service offering, expanding its national footprint and consolidating its market position:

- 80% of the shares in Almina Trading SA, completed in March 2017.
- 100% of the shares in Anima Specialty Medical Services SRL and Anima Promovare si Vanzari SRL ("**Anima**"), completed in May 2017.
- 55% of the shares in Valdi Medica SRL, completed in September 2017.

The Consolidated Pro Forma PL has been prepared for illustrative purposes only and, because of its nature, addresses a hypothetical situation and therefore, does not represent the Group's actual financial results. The Consolidated Pro Forma PL do not necessarily reflect what the combined Group's financial condition or results of operations would have been, had the acquisition occurred on the dates indicated in the pro-forma calculations. They also may not be useful in predicting the future financial condition and results of operations of the Group with the acquired companies. The actual financial position and results of operations may differ significantly from the pro forma amounts reflected herein due to a variety of factors.

Consolidated Pro Forma PL

	12 month ended December 31, 2017			
	Consolidated PL	**Normalisation**	**One off**	**Consolidated Pro forma PL**
SALES	**623,219,949**	**14,840,980**	**-**	**638,060,929**
Other operating revenues	7,496,681	134,050	-	7,630,731
OPERATING INCOME	**630,716,630**	**14,975,030**	**-**	**645,691,660**
OPERATING EXPENSES	**(595,857,844)**	**(15,298,131)**	**2,525,276**	**(608,630,699)**
OPERATING PROFIT	**34,858,786**	**(323,101)**	**2,525,276**	**37,060,961**
Finance cost	(14,201,686)	(252,050)	-	(14,453,736)
Other financial expenses	(6,380,555)	17,650	-	(6,362,905)
FINANCIAL RESULT	**(20,582,241)**	**(234,400)**	**-**	**(20,816,641)**
RESULT BEFORE TAXES	**14,276,545**	**(557,501)**	**2,525,276**	**16,244,320**
Income tax expense	(5,544,920)	(88,877)	(404,044)	(6,037,841)
NET RESULT	**8,731,625**	**(646,378)**	**2,121,232**	**10,206,479**

Net Income to Adjusted EBITDA

	12 month ended December 31, 2017			
	Consolidated PL	**Normalisation**	**One off**	**Consolidated Pro forma PL**
Net income/(loss) for the period	**8,731,625**	**(646,378)**	**2,121,232**	**10,206,479**
Add back:				
Taxes on income	**5,544,920**	**88,877**	**404,044**	**6,037,841**
Out of which:				
Base tax expense	5,544,920	88,877	-	5,633,797
One off impact	-	-	404,044	404,044
Net financial result	**20,582,241**	**234,400**	**-**	**20,816,641**
Depreciation, amortisation and impairment, including write-ups	**43,078,621**	**1,562,665**	**-**	**44,641,286**
Adjusted EBITDA	**77,937,407**	**1,239,564**	**2,525,276**	**81,702,247**

Sales split by Business Line

	12 month ended December 31, 2017			
	Consolidated PL	**Normalisation**	**One off**	**Consolidated Pro forma PL**
Clinics	166,650,648	6,188,147	-	172,838,796
Stomatology	37,565,681	-	-	37,565,681
Laboratories	115,259,329	3,141,301	-	118,400,630
Corporate	144,621,716	3,013,672	-	147,635,388
Hospitals	119,106,274	2,048,273	-	121,154,547
Pharmacies	29,526,655	-	-	29,526,655
Other	10,489,645	449,587	-	10,939,232
Total Sales	**623,219,948**	**14,840,980**	**-**	**638,060,929**

Basis for the Consolidated Pro Forma PL

The Consolidated Pro Forma PL for the 12 month period ended 31 December 2017 have been prepared starting from the Consolidated PL of the Group as of 31 December 2017. The Consolidated Pro Forma PL was prepared in a manner consistent with the accounting policies adopted by the Group in the Consolidated FS as of 31 December 2017.

The Consolidated Pro Forma PL for the 12 months ended 31 December 2017 give effect to the acquisition of the Acquired Company as if the acquisition had occurred on 1 January 2017. Also, certain expense items incurred by the Group in the relevant period but considered to be non-operational and non-recurring in nature, as detailed in the notes to the tables, are reflected in the Consolidated Pro Forma PL as one off adjustments, based on management judgment for the Group, without taking into account the Acquired Company.

Consolidated Pro Forma PL adjustments

Normalization adjustment

Normalization adjustments are made to include the financial results of the Acquired Company in the Group results for the relevant period. The adjustment represents the unaudited Income Statement items for the portion of the relevant period prior to and including the month of acquisition of the company.

The companies that were normalized and the months included in the normalization are presented below:

Entity	**Date of obtaining control**	**Months included in Normalization (inclusive) 1 January - 31 December 2017**
Almina Trading SA	March 2017	January – March 2017
Anima	May 2017	January – May 2017
Valdi Medica SRL	September 2017	January – September 2017

One off adjustments

The one off adjustments represent expenses which have been included in the Group's Consolidated PL but which, in the Group's opinion, represent non-recurring and/or non-operational expenses. These expenses relate to costs incurred in relation to the acquisition of the Acquired Company which were expensed rather than capitalized as part of the acquisition cost of the company, including the costs of aborted or continuing acquisition processes.

The One off expenses are presented below. The amounts calculated for each of the expenses is gross of the applicable income tax.

Type of Expense	Amount for 12M 2017	Note
Cost of Acquisitions	1,204,440	*Note A*
Cost with share Capital Increase	1,320,836	*Note B*
Total	**2,525,276**	

Note A
Cost of Acquisitions includes the expenses incurred in respect of external due diligence reports on targets covering financial, taxation and legal due diligence as well as the cost of legal advisory services in relation to the signing and closing of the transactions signed or concluded in the period. The external costs of aborted acquisitions are also included.

These expenses are classified as one-offs as they do not relate to the on-going operational business of the Group.

Note B
The cost with share capital increase includes costs with legal and investment banking services associated with the increase in share capital performed by Med Life SA in the fourth quarter of 2017.

These expenses are classified as one-offs as they do not relate to the on-going operational business of the Group.

	Year ended December 31, 2017	% of Total
Pro-forma adjusted EBITDA	**81,702,247**	**100.0%**
Attributable to:		
Owners of the Company	74,216,544	90.8%
Non-controlling interests	7,485,703	9.2%