

## **In the first quarter of this year, MedLife announces a 33% increase of the pro forma consolidated turnover**

### **„We are focusing on consolidating the companies that have joined MedLife Group in the last year“**

- *In Q1 2023, MedLife recorded a pro forma consolidated turnover of RON 555.5 million, an increase of 33% compared to the same period last year. In Romania, MedLife Group recorded a turnover of RON 549.6 million, while in Hungary it recorded RON 5.8 million.*
- *The Group has a strong performance in all business lines, as a result of a strategic approach that encourages sustainable growth and development of the business.*
- *In the first few months of the year, MedLife Group had several achievements, such as the inauguration of the Hyperclinic in Deva, the completion of the acquisition of Muntenia Hospital, as well as the majority stake in Nord - Provita Medical Group.*
- *For the current year, MedLife's priorities are: the integration of acquired businesses in 2022, the inauguration of new outpatient medical units nationwide, increasing the portfolio of doctors, as well as investments in top technology and medical services.*

**Bucharest, May 12th, 2023:** MedLife, the leader of the private medical services market in Romania, announces the Group's financial results for the first quarter of this year and reports a pro forma consolidated turnover of RON 555.5 million, an increase of 33% compared to the same period last year.

According to company representatives, the gradual results of the Group reflect the constant and sustainable development over time of financial, operational and business performance.

"Since the beginning of the year, we have demonstrated determination in implementing our development strategy, and the results reflect the sustained efforts of over 10,000 MedLife employees and collaborators who provide top medical services to patients, as well as the management team which, for almost three decades, has been agilely managing the various challenges generated in the socio-economic context. For the upcoming period, we are focusing on the gradual consolidation of MedLife Group, investing in sustainable business development. We are consolidating operations, the newly acquired companies, the brand value and, implicitly, the leading position in the private medical field, so as to ensure a strong position on the local and regional market, with a rapid capacity to adapt to any new market trends and requirements," stated **Mihai Marcu, Chairman and CEO of MedLife.**

### **A quarter characterized by good performance across all business lines**

In general terms, the demand for medical services remained at a high level. In the January-March 2023 period, most of the business sectors recorded significant growth compared to the same period in 2022, with the most performing being the clinics (+49.2%), hospitals (+26.4%), and corporate (+12.7%) sectors, followed by dental clinics (+26.5%) and laboratories (+2.2%).

Since the beginning of the year, the optimization and integration of the 13 companies acquired in 2022 have been and remain essential for MedLife representatives. Additionally, among the achievements obtained in the first months of this year are the consolidation of the hospital network following the completion of Muntenia Hospital acquisition, the largest private hospital in Arges, as well as the inauguration of the Hyperclinic in Deva, the largest clinic in Hunedoara county.

Also notable is the completion of the acquisition of the majority stake in Nord - Provita Medical Group, which owns a multidisciplinary hospital, 5 clinics, 2 imaging centers equipped with state-of-the-art equipment, a laboratory for processing a wide range of medical tests and analyses, as well as the only pain therapy training center in Central and Eastern Europe.

Additionally, in its efforts to support the development of healthy businesses in Romania, MedLife has become the first private medical operator to offer medical subscriptions with 360° coverage - from prevention services to health insurance, dental services, and fitness.

"360° health is our holistic approach to the healthcare system, which means that we aim to bring benefits not only to individual patients but also to companies and the economy as a whole. By promoting prevention, accessibility, and quality of medical services, we continue our mission to make Romania healthier" stated **Dorin Preda, MedLife's executive director**.

### Goals for the current year

After expanding through no less than 20 development and expansion projects in 2022, MedLife Group's focus in 2023 will be on consolidating post-acquisition profitability margins nationwide. Regarding new acquisitions and expansion initiatives, company representatives have adopted a less dynamic approach, acting in this direction according to the context and market trends.

Operationally, strategic objectives include increasing the portfolio of doctors and investing in the highest quality medical services, as well as patient satisfaction. Additionally, the company continues to develop the MedLife Medical Park project, the largest medical unit of the Group, and, in parallel, aims to inaugurate new outpatient medical units in the country.

## FINANCIAL ANALYSIS

### Analysis of the Consolidated PL

Sales for the 3 months period ended March 31, 2023, amounted to RON 529,453,478, higher by 26.4% compared to sales recorded in the 3 months period ended March 2022. This increase was mainly the result of growth in almost all of the Group's business lines, as well as the impact of the acquisitions completed by the Group in 2022 and 2023.

Business Line	3 months 2023	% of Total	3 months 2022	% of Total	Variation 2023/2022
Clinics	199,260,702	37.6%	133,513,421	31.9%	49.2%
Stomatology	32,289,809	6.1%	25,530,365	6.1%	26.5%
Hospitals	108,295,119	20.5%	85,649,611	20.4%	26.4%
Laboratories	57,199,089	10.8%	55,972,427	13.4%	2.2%
Corporate	57,953,029	10.9%	51,416,746	12.3%	12.7%
Pharmacies	18,481,757	3.5%	18,726,740	4.5%	-1.3%
Others	55,973,973	10.6%	48,051,728	11.5%	16.5%
<b>TOTAL SALES</b>	<b>529,453,478</b>	<b>100.0%</b>	<b>418,861,038</b>	<b>100%</b>	<b>26.4%</b>

Other operating revenues have increased by 62% in 2023 compared to previous year, reaching RON 3,316,888 in 2023.

Operating expenses include variable and fixed costs, as well as the cost of goods and materials used to provide the Group's services. The Group recorded operating expenses of RON 505,186,874 in Q1 2023, representing an increase of 32.9%, or RON 125,133,932 as compared to Q1 2022. The Group's operating expenses as a percentage of total operating income reached 94.8% in the 3 months period ended 31 March 2023 and 90.3% in the 3 months period ended 31 March 2022.

### Operating expenses evolution

	3 months 2023	3 months 2022
Consumable materials and repair materials	91,017,054	64,210,728
Commodities expenses	56,109,225	50,564,976
Utilities	8,522,964	6,308,705
Repairs maintenance	4,335,216	4,380,262
Rent	2,686,451	3,011,825
Insurance premiums	1,313,225	927,356

Promotion expense	7,860,349	4,444,961
Communications	1,585,066	1,238,001
Third party expenses (including doctor's agreements)	147,723,764	108,927,667
Salary and related expenses	126,148,971	96,583,090
Social contributions	4,606,973	3,412,206
Depreciation	47,150,315	31,337,281
Impairment losses and gains (including reversals of impairment losses)	1,002,093	-
Other administration and operating expenses	5,125,208	4,705,884
<b>TOTAL</b>	<b>505,186,874</b>	<b>380,052,942</b>

Operating profit recorded a decrease of 32,5% in Q1 2023 as compared to Q1 2022, from RON 40,855,885 in Q1 2022 to RON 27,583,492 in Q1 2023.

Financial loss increased in Q1 2023 with RON 7,770,524 from a negative RON 7,325,655 in Q1 2022 to a negative RON 15,096,179 in Q1 2023.

### Analysis of the Consolidated BS

Non-current assets amount to RON 1,759,003,201 as of 31 March 2023, recording an increase of RON 72,413,177 or 4.3% as compared to 1 January 2023.

Current assets increased with RON 12,831,097 or by 2.8% from RON 465,386,305 as at 1 January 2023 to RON 478,217,402 as at 31 March 2023.

Current liabilities (excluding interest-bearing debt items) decreased with RON 4,462,713, or by 1.1%, from RON 414,943,880 as at 1 January 2023, to RON 410,481,167 as at 31 March 2023.

Interest bearing debt increased with RON 85,825,753 or by 7.2% from RON 1,189,086,767 as of 1 January 2023 to RON 1,274,912,520 as of 31 March 2023.

### MAIN FINANCIAL RATIOS

			Period ended at March 31, 2023
<b><i>Current ratio</i></b>			
Current assets	478,217,402	=	
Current liabilities	564,700,708	=	0.85
<b><i>Debt to equity ratio</i></b>			
Long Term Debt	1,141,342,393	=	234%
Equity	486,927,343	=	
Long Term Debt	1,141,342,393	=	70%
Capital Assets	1,628,269,736	=	
<b><i>Trade receivables turnover (days)</i></b>			
Average receivables	213,368,573	=	
Sales	529,453,478	=	36.27
<b><i>Fixed assets turnover</i></b>			
Sales	529,453,478	=	
Net Fixed Assets	1,759,003,201	=	0.30

### OPERATIONAL KEY PERFORMANCE INDICATORS

Business line	Info	3 months
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MED LIFE S.A.

Registered Office: Bucharest, Calea Grivitei, no. 365, district 1, Romania  
Unique Registration Code at the National Office of Trade Registry: 8422035  
Order number on the Trade Registry: J40/3709/1996  
Subscribed and paid-in share capital: 33,217,623 RON



		<b>2023</b>	<b>2022</b>
Clinics	<b>Revenue</b>	<b>199,260,702</b>	<b>133,513,421</b>
Clinics	Visits	863,694	645,337
Clinics	Avg fee	230.7	206.9
Stomatology	<b>Revenue</b>	<b>32,289,809</b>	<b>25,530,365</b>
Stomatology	Visits	46,681	44,176
Stomatology	Avg fee	682.9	577.9
Hospitals	<b>Revenue</b>	<b>108,295,119</b>	<b>85,649,611</b>
Hospitals	Patients	33,259	25,824
Hospitals	Avg fee	3,256.1	3,316.7
Laboratories	<b>Revenue</b>	<b>57,199,089</b>	<b>55,972,427</b>
Laboratories	Analyses	1,853,301	1,851,466
Laboratories	Avg fee	30.9	30.2
Corporate	<b>Revenue</b>	<b>57,953,029</b>	<b>51,416,746</b>
Corporate	Subscriptions	846,217	763,175
Corporate	Avg fee	68.5	67.4
Pharmacies	<b>Revenue</b>	<b>18,481,757</b>	<b>18,726,740</b>
Pharmacies	Clients	124,312	148,478
Pharmacies	Sales per client	148.7	126.1
Others	<b>Revenue</b>	<b>55,973,973</b>	<b>48,051,728</b>

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Mihail Marcu

CEO