



2023

CONSOLIDATED
ADMINISTRATORS' REPORT



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1 Presentation of the Group

Med Life S.A. ("Med Life", "Parent Company", or "Company") is a joint-stock company incorporated in 1996, in accordance with the laws and regulations of Romania, with its headquarters in Bucharest, 365, Calea Grivitei, with a share capital of RON 132,870,492, with a nominal share value of RON 0.25. The Company's activity resides in the performance of healthcare services activities through medical centres with national coverage.

MedLife Group is the leading private healthcare services provider in Romania in terms of Sales figures, having a significant market share at a national level.

The companies part of the MedLife Group as at 31 December 2023, and 31 December 2022 are presented below (ownership percentage):

No.	Entity	Main activity	Location	31 December	
				2023	2022
1	Policlinica de Diagnostic Rapid SA	Medical services	Brasov, Romania	83%	83%
2	Medapt SRL (indirect)*	Medical services	Brasov, Romania	83%	83%
3	Histo SRL (indirect)*	Medical services	Brasov, Romania	49.8%	49.8%
4	Policlinica de Diagnostic Rapid Medis SRL (indirect)*	Medical services	Sfantu Gheorghe, Romania	66.4%	66.4%
5	Bahtco Invest SRL**	Development of building projects	Bucuresti, Romania	100%	100%
6	Med Life Ocupational SRL	Medical services	Bucuresti, Romania	100%	100%
7	Pharmalife-Med SRL	Distribution of pharmaceutical products in specialised stores	Bucuresti, Romania	100%	100%
8	Med Life Broker de Asigurare si Reasigurare SRL	Insurance broker	Bucuresti, Romania	99%	99%
9	Accipiens SA	Rental activities	Arad, Romania	83%	83%
10	Genesys Medical Clinic SRL (indirect)*	Medical services	Arad, Romania	83%	83%
11	Bactro SRL (indirect)*	Medical services	Deva, Romania	83%	83%
12	Transilvania Imagistica SA (indirect)*	Medical services	Oradea, Romania	83%	83%
13	Biofarm Farmec SRL (indirect)*	Distribution of Pharmaceutical products in specialised stores	Arad, Romania	100%	100%
14	RUR Medical SRL (indirect)**	Medical services	Brasov, Romania	83%	83%
15	Biotest Med SRL	Medical services	Bucuresti, Romania	100%	100%
16	Vital Test SRL	Medical services	Iasi, Romania	100%	100%
17	Centrul Medical Sama SA	Medical services	Craiova, Romania	90%	90%
18	Ultratest SA (direct si indirect)*	Medical services	Craiova, Romania	92.2%	92.2%
19	Diamed Center SRL	Medical services	Bucuresti, Romania	100%	100%
20	Prima Medical SRL	Medical services	Craiova, Romania	100%	100%
21	Stem Cells Bank SA	Medical services	Timisoara, Romania	100%	100%
22	Dent Estet Clinic SA	Dental care	Bucuresti, Romania	65%	60%
23	Green Dental Clinic SRL (indirect)*	Dental care	Bucuresti, Romania	33.2%	31%

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No.	Entity	Main activity	Location	31 December	
				2023	2022
24	Dentist 4 Kids SRL (indirect)*	Dental care	Bucuresti, Romania	65%	60%
25	Dent A Porter SRL (indirect)*	Dental care	Bucuresti, Romania	33.5%	31%
26	Dentestet Kids SRL (indirect)*	Dental care	Bucuresti, Romania	34.4%	32%
27	Aspen Laborator Dentar SRL (indirect)*	Dental care	Bucuresti, Romania	48.8%	45%
28	Centrul Medical Panduri SA	Medical services	Bucuresti, Romania	100%	100%
29	Almina Trading SA	Medical services	Targoviste, Romania	90%	90%
30	Anima Specialty Medical Services SRL	Medical services	Bucuresti, Romania	100%	100%
31	Anima Promovare si Vanzări SRL (indirect)*	Medical services	Bucuresti, Romania	100%	100%
32	Valdi Medica SA	Medical services	Cluj, Romania	55%	55%
33	Clinica Polisano SRL	Medical services	Sibiu, Romania	100%	100%
34	Solomed Clinic SA	Medical services	Pitesti, Romania	80%	80%
35	Solomed Plus SRL (indirect)*	Medical services	Pitesti, Romania	80%	80%
36	Ghencea Medical Center SA	Medical services	Bucuresti, Romania	100%	100%
37	Sfatul medicului SRL	Medical platform	Bucuresti, Romania	100%	100%
38	RMC Dentart (indirect)*	Dental care	Budapesta, Ungaria	87.6%	81.3%
39	RMC Medical (indirect)*	Medical services	Budapesta, Ungaria	87.6%	81.3%
40	RMC Medlife	Holding	Budapesta, Ungaria	87.6%	81.3%
41	Badea Medical SRL	Medical services	Cluj, Romania	65%	65%
42	Oncoteam Diagnostic SRL**	Medical services	Bucuresti, Romania	100%	79%
43	Centrul medical Micromedica SRL	Medical services	Piatra Neamt, Romania	100%	100%
44	Micromedica Târgu Neamț SRL (indirect)*	Medical services	Targu Neamt, Romania	100%	100%
45	Micromedica Bacău SRL (indirect)*	Medical services	Bacau, Romania	100%	100%
46	Micromedica Roman SRL (indirect)*	Medical services	Roman, Romania	100%	100%
47	Medrix Center SRL (indirect)*	Medical services	Roznov, Romania	100%	100%
48	Spitalul Lotus SRL	Medical services	Ploiesti, Romania	100%	100%
49	Labor Maricor SRL (indirect)*	Medical services	Bacau, Romania	100%	100%
50	Centrul Medical Matei Basarab SRL (indirect)*	Medical services	Bucuresti, Romania	100%	100%
51	Pharmachem Distribuție SRL	Distribution of pharmaceutical products	Bucuresti, Romania	75%	75%
52	CED Pharma SRL (indirect)*	Distribution of pharmaceutical products in specialised stores	Bucuresti, Romania	100%	100%

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No.	Entity	Main activity	Location	31 December	
				2023	2022
54	Monix Pharm SRL (indirect)*	Distribution of pharmaceutical products in specialised stores	Bucuresti, Romania	100%	100%
55	KronDent SRL (indirect)*	Dental care	Brasov, Romania	100%	100%
56	Medica SA	Medical services	Sibiu, Romania	39%	36%
57	Dent Estet Ploiești SRL (indirect)*	Dental care	Ploiesti, Romania	60%	60%
58	The Lab Stomestet SRL (indirect)*	Dental care	Cluj, Romania	33.2%	30.6%
59	Stomestet SRL (indirect)*	Dental care	Cluj, Romania	39%	36%
60	Stomestet Plus SRL (indirect)*	Dental care	Cluj, Romania	39%	36%
61	Costea Digital Dental SRL (indirect)*	Dental care	Oradea, Romania	39%	36%
62	Expert Med Centrul Medical Irina (indirect)*	Medical services	Galati, Romania	38.4%	36%
63	MNT Healthcare Europe SRL	Medical services	Ilfov, Romania	76%	76%
64	MNT Asset Management SRL (indirect)*	Holding	Bucuresti, Romania	50%	50%
65	Clinica Life-Med SRL (indirect)*	Medical services	Bucuresti, Romania	50%	50%
66	Pro Life Clinics SRL (indirect)*	Medical services	Iasi, Romania	100%	100%
67	Onco Card SRL (indirect)*	Medical services	Brasov, Romania	60%	60%
68	Onco Card Invest SRL (indirect)*	Holding	Brasov, Romania	83%	83%
69	Tomorad Expert SRL (indirect)*	Medical services	Sfantu Gheorghe, Romania	83%	83%
70	IT Repair SRL (indirect)*	Medical services	Targu Mures, România	66.4%	66.4%
71	Medici's SRL	Medical services	Timisoara, Romania	80%	80%
72	Micro-Medic SRL (indirect)*	Medical services	Timisoara, Romania	80%	80%
73	Sweat Concept One SRL	Wellness	Bucuresti, Romania	60%	60%
74	OptiCristal Consult SRL (indirect)*	Medical services	Brasov, Romania	49.8%	49.8%
75	Alinora Optimex SRL (indirect)*	Medical services	Brasov, Romania	49.8%	49.8%
76	Medicris SRL (indirect)*	Medical services	Oradea, Romania	83%	83%
77	Triamed SRL (indirect)*	Medical services	Oradea, Romania	83%	83%
78	SC M-Profilaxis SRL (indirect)*	Medical services	Timisoara, Romania	80%	80%
79	VitaCare Flav SRL (indirect)*	Medical services	Pitesti, Romania	51%	80%
80	Dent Estet Genesys SRL (indirect)*	Medical services	Arad, Romania	73.8%	71.3%
81	Aspire Dental SRL (indirect)*	Dental care	Bucuresti, Romania	65%	60%
82	Sanopass SA	Medical platform	Targoviste, Romania	62.5%	51%

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No.	Entity	Main activity	Location	31 December	
				2023	2022
83	Muntenia Medical Competences S.A. (indirect)*	Medical services	Pitesti, Romania	51%	0%
84	Bios Diagnostic Medical Services SRL (indirect)*	Medical services	Bucuresti, Romania	51%	0%
85	Centrul de Diagnostic si Tratament Provita S.A.	Medical services	Bucuresti, Romania	51%	0%
86	Medical City Blue SRL (indirect)*	Medical services	Bucuresti, Romania	51%	0%
87	Laborator Cuza Voda SRL (indirect)*	Medical services	Bucuresti, Romania	51%	0%
88	Provita Pain Clinic SA (indirect)*	Medical services	Suceava, Romania	35.7%	0%
89	Policlinica Sf. Ilie SRL (indirect)*	Medical services	Craiova, Romania	100%	0%
90	Policlinica Union SRL (indirect)*	Medical services	Cluj, Romania	51%	0%
91	Brol Medical Center S.A. (indirect)*	Medical services	Timisoara, Romania	56%	0%

* These companies are subsidiaries in other subsidiaries in the Group and are included in the consolidation as they are controlled by the entities which are subsidiaries of the parent company.

** Starting January 2024, these companies have changed their legal form from S.A. in S.R.L.

*** Starting January 2024, Ghencea Medical Center SA, Clinica Life-Med SRL, Laborator Maricor SRL, Policlinica SF. Ilie SRL, Diamed Center SRL and Centrul Medical Matei Basarab SRL were merged under Anima Specialty Medical Services SRL. ; Accipiens SA, Transilvania Imagistica SA, Bactro SRL and Triamed SRL were merged under Genesys Medical Clinic SRL. ; Biofarm Farmec SRL, CED Pharma SRL, Leti Pharm 2000 SRL and Monix Pharm SRL were merged under Pharmalife-Med SRL.

Business model

MedLife Group business model is focused on providing medical services to clients, both individual as well as legal entities. The Group seeks to capture the private healthcare spending of these clients throughout all stages of the medical act: prevention, diagnosis and treatment, by offering a wide range of medical services delivered in modern, high-quality facilities, by professional teams of doctors, nurses and support staff. The Group places great emphasis on the quality of the services offered to its patients, operating an IT infrastructure and customer service and sales operations that have served over 6 million unique patients, representing over 1 in 3 Romanians.

The Group divides its operations into six main business lines:

- **Corporate:** the Corporate business line offers health prevention packages HPPs (HPPs) to corporate clients as part of their employee benefit packages. These programmes, which focus on prevention through regular check-ups and access to diagnostic services, complement the legally required occupational health services that corporate clients also contract from the Group as Standard HPP. The Group has a portfolio of over 870,000 HPPs patients.

The HPPs offered by the Group consist of:

- Mandatory occupational health services, which mainly include the provision of annual employee check-ups and more specific services depending on the client's industry. Many companies begin by purchasing occupational health services as Standard HPP and then add benefits under broader HPPs from the same provider for certain or all of their employees, providing an upselling opportunity for the occupational health provider.
- More general, "prevention oriented" health plans, providing expanded access to general practitioners and specialists in the Group's clinics and as well as specific laboratory tests and

diagnostic imaging for higher end packages. The specific services vary depending on the type of package.

- **Clinics:** the Clinics business line includes the Group's ambulatory clinics and diagnostic imaging services. The Clinics offer general practitioner and specialist consultations, diagnostic imaging services, and some of the clinics also offer day-inpatient services.

The Group's clinics provide a wide range of services delivered mainly in two formats:

- **Hyperclinics**, a format pioneered by the Group in Romania, consisting of large facilities with surface areas of over 1,000 sqm and more than 20 medical offices. It is a one-stop-shop for clinical examinations and imaging. This format is designed for larger urban areas, with a population over 175,000 inhabitants. The Hyperclinics include, usually, a broad range of imaging services such as: radiology, bone density – DEXA, CT, MRI, 2D-4D ultrasounds and mammography. In the case of new openings, such services may be included, gradually, in the hyperclinics' offering. The hyperclinic locations also host the services of other business lines, such as collection points for laboratories, or pharmacies.
- **Clinics**, which offer a wide range of services, from general medicine to specialist medical consultations, and aim to serve the basic needs of the Group's PPM patients, but also pay-per-service patients and those who opt for services settled by the National Health Insurance House ("NHIH"). The Group's clinics typically have between 5 to 12 doctor's offices, but there are also smaller satellite clinics in operation, which aim to address the specific situations of the local market. The Clinics are designed for smaller cities, or to serve certain concentrations of patients. The Clinics, with limited capacity and generally limited imaging services, act as referral networks for more specialized services located in hyperclinics.
- **Laboratories:** the Laboratories business line provides a wide range of services: biochemistry, pathological anatomy (cytology and histology), molecular biology and genetics, haematology, immunology, microbiology and toxicology. The collection points are medical facilities where the Group collects blood and other samples from patients. The Laboratories business line derives most of its revenue from fee-for-service patients.
- **Hospitals:** the Hospitals business line covers the Group's inpatient activities, which consist of a wide range of medical and surgical specialties. The Group's 15 hospitals are located in Arad, Bucharest, Brasov, Cluj, Sibiu, Pitesti and Ploiesti. The group holds 12 hospital licenses, which comprise the activities of the Hospitals business line. One of the licenses was issued for a hospital unit and 3 other outpatient departments. In addition to these, the Group was granted licenses for 4 day hospitalization units that operate in Clinics' locations in Bucharest, Iasi, Craiova and Timisoara and offer only day hospitalization services. The financial results of these 4 units are recognized in the Clinics business line, the Group considering these units as functional parts of the Hyperclinics.

The Group's 4 maternity hospitals, located in Bucharest, Sibiu, Brasov and Arad, provide patients with interdisciplinary teams of specialists prepared to intervene at any moment of the birth ensuring careful monitoring of the mother and the newborn, high-performance equipment and devices in the labor rooms / operations, in the departments of obstetrics-gynecology, neonatology and ICU, or dedicated advisors. MedLife also has a STEM cell bank, which offers state-of-the-art biotechnology in stem cell processing and which introduced the Sepax 2 system in Romania, the best performing storage system at the moment. The activities of the maternity hospitals are recognized by the Group in the Hospitals business line.

The Hospitals business line derives its revenue primarily from fee-for-service patients. The treatment of patients settled by the Health Insurance House generally refers to maternity, gynecology, cardiology and oncology departments.

- **Pharmacies:** the Pharmacies business line offers prescription and non-prescription pharmaceutical products, laboratory-prepared products, as well as other related medical products, in the 21 pharmacies units situated, mainly, in the Group's hyperclinics and hospitals or in their vicinity. This business line also has its own laboratory, where customers can benefit from specific products according to their needs and medical recommendations.
- **Dentistry:** the Dentistry business line offers a wide range of dental services, from simple check-ups to complex surgical interventions. The Dentistry business line is not subject to settlements through the Health Insurance House, all revenues coming from patients through payment per service.

In addition to the 6 main business lines, the MedLife Group, through the acquisitions made, include:

- **Pharmaceutical distribution:** Pharmachem is one of the leading pharmaceutical distribution companies in Romania. With a strong focus on providing high quality healthcare products and services, the company plays a key role in the country's pharmaceutical supply chain. By working with a diverse range of suppliers, Pharmachem Distributie ensures that pharmacies and other healthcare providers have access to a diverse range of medicines and medical supplies to meet the needs of their patients.

As a pharmaceutical distribution company, Pharmachem Distributie S.A. is responsible for the storage, handling and transportation of pharmaceutical products from manufacturers to end users. This involves following strict regulations and maintaining a high level of quality control to guarantee the safety and efficacy of the products it distributes.

- **Wellness:** the chain of Sweat gyms, through which MedLife Group strengthens its service portfolio, the patients having the widest range of medical services: from consultations, investigations and surgical treatments, to wellness, nutrition and sports services. The gyms feature state-of-the-art premium fitness equipment based on movement mechanics and advanced functionality.

2 2023 Developments

The 2023 results confirm MedLife Group's efforts to strengthen its services offered at national level, with a focus on medical excellence and improving patient satisfaction. Despite the unstable economic climate, inflation and rising costs, and after an intense period of acquisitions and organic development, in which 20 projects were ticked off in 2022 alone, the Group focused mainly, during 2023, on the consolidation and integration of the new companies under the MedLife umbrella, and managed to continue its turnover growth trend, simultaneously with a gradual increase in the EBITDA margin compared to the previous year. The investments in medical oncology, and top equipment, the launch of the transport of biological samples with drones and, last but not least, the equipping of three hospitals with state-of-the-art surgical robots, place MedLife at the forefront of medical technology not only in Romania, but also in the region.

2.1 Acquisitions

In 2023, MedLife Group completed two large M&A acquisitions, 3 smaller M&A transactions – two under the umbrella of its second brand, Sfanta Maria, and one under the umbrella of Medici`s in Timisoara and increased its stake in certain subsidiaries:

- Completion of the acquisition of 99.76% shares in Muntenia Medical Competences, transaction announced in 2022;
- Completion of the acquisition of 51% shares in Nord Group;
- Acquisition of 100% shares in Policlinica Sfantul Ilie (under Sfanta Maria)
- Acquisition of 51% shares in Clinica Union (under Sfanta Maria);
- Acquisition of 70% shares in Brol Medical Center (under Medici`s);
- Acquisition of an additional package of 11.5% shares in Sanopass;
- Acquisition of an additional package of 5% shares in Dent Estet Group;
- Acquisition of an additional package of 21% shares in Oncoteam Diagnostic;
- Acquisition of an additional package of 6.25% shares in RMC Group.

Completion of the Muntenia Hospital acquisition

In January 2023, MedLife Group completed the acquisition of 99.76% shares in Muntenia Medical Competences S.R.L., the largest hospital in Arges County, after its approval by the Competition Council. Thus, MedLife Group is consolidating its medical expertise in the hospital area.

Completion of the Group Nord (ex Provita) acquisition

In March 2023, MedLife Group completed the acquisition of 51% shares in Group Nord, after its approval by the Competition Council.

In the 11 years of activity on the market of private medical services, Group Nord has stood out especially in Bucharest, where it is present through a multidisciplinary hospital, 5 clinics, 2 imaging centers equipped with high-performance and ultra-modern equipment, a laboratory for the processing of a wide range of medical analysis and tests, but also through the only pain therapy training center in Central and Eastern Europe. At the end of 2022, Group Nord also expanded outside the Capital, opening a multidisciplinary clinic worth EUR 2.5 million investment in Suceava, where an integrated Pain Therapy center and an integrated breast center operate.

In December 2023, Group Nord opened in Bucharest a new multidisciplinary hospital dedicated to health and life, with a modern infrastructure and the latest technology in the field. With an extensive area of 25,000 square meters, the new hospital has 8 ultra-modern operating rooms, 49 reserves and 107 beds. The hospital also has an Integrated Pain Therapy Center and an integrated Imaging Center with Pet-CT, Scintigraph, Mammogram, X-ray, MRI 3T, CT, as well as 2 conference rooms, designed to facilitate the exchange of medical knowledge, and to organize health education events.

Acquisition of Policlinica Sfantul Ilie (through Sfanta Maria Group)

In February 2023, MedLife Group completed the acquisition of the entire share package of Policlinica Sfantul Ilie in Craiova, this being integrated into the Sfanta Maria network, part of MedLife Group.

Present on the local market since 2000, Policlinica Sfantul Ilie is one of the first private clinics in Craiova. With 12 medical specialties, the clinic offers comprehensive medical services and paraclinical investigations to meet the needs of all patients, thus becoming a point of reference in medical activity at county level.

Among the medical specialties that can be accessed within the polyclinic are internal medicine, cardiology, dermatology, endocrinology, physiotherapy, occupational medicine, neurology, obstetrics-gynecology, ophthalmology, ENT, psychiatry and psychology.

Acquisition of Clinica Union (*through Sfanta Maria Group*)

In June 2023, MedLife Group completed the acquisition of the 51% majority stake of Clinica Union Medical in Cluj. This clinic was integrated into the Sfanta Maria network.

Clinica Union Medical has over 10 years of experience on the Cluj market and offers a wide range of high-quality services, covering 21 medical specialties: cardiology, dermatovenerology, diabetes and nutrition, endocrinology, family medicine, neurology, obstetrics-gynecology, ophthalmology, orthopedics, psychiatry, psychology and urology. Being in a continuous process of evolution, the clinic integrates the latest techniques and medical devices to ensure treatment for patients at European standards.

Acquisition of Clinica Brol Medical Center (*through Medici's*)

In September 2023, MedLife, through Medici's, completed the transaction to acquire 70% shares in Brol Medical Center. The Brol Medical Center clinic started its activity in 1996 and has over 25 years of experience in aesthetic surgery. The clinic offers plastic, reconstructive and aesthetic surgery services, dermatological consultations and treatments, as well as nutrition consultations.

2.2 Organic growth

MedLife Deva Hyperclinic

In January 2023, MedLife inaugurated the largest medical clinic in Deva. The unit is distinguished by an elite medical team, but also by an imaging division equipped with top medical equipment. The Deva Hyperclinic completes the network of MedLife units, providing patients with a complete circuit of medical services, from clinical and paraclinical investigations to diagnosis and treatment.

Neolife Valcea Clinic

In September 2023, Neolife Medical Center inaugurated the Radiotherapy and Imaging Center in Ramnicu Valcea. Located in the courtyard of the Obstetrics and Gynecology Hospital, the new clinic brings an innovative contribution to the fight against cancer and represents a significant addition to the treatment and diagnosis of oncological conditions. Equipped with state-of-the-art technology and state-of-the-art equipment, this unit offers complex medical services for diagnosis, monitoring and treatment for cancer patients, with services also under the contract with NHIH.

Neolife Braila Clinic

In September 2023, Neolife Medical Center inaugurated in Braila, the sixth Neolife private medical center in Romania, located in the courtyard of Braila County Hospital. The new center is equipped with state-of-the-art devices and equipment, the medical team being made up of professionals in the field of oncology medicine. Neolife Braila offers diagnostic and treatment services also under contract with the National Health Insurance House.

Nord (Provita) Hospital

At the end of December 2023, Nord Group inaugurated a new multidisciplinary medical hospital dedicated to health and life, with a modern infrastructure and the latest technology in the field. With an extensive area of 25,000 square meters, the new hospital has 8 ultra-modern operating rooms, 49 reserves and 107 beds. The hospital also has an Integrated Pain Therapy Center and an integrated Imaging Center and offers over 28 medical specialties, both for adults and children. The medical teams will focus on complex interventions, covering several areas of the surgical area.

3 Credit facilities contracted by the Group

	31 December	
	2023	2022
Cash and cash equivalents	100,271,093	89,068,154
Borrowings (including overdraft)	(1,152,772,455)	(886,769,729)
Lease liabilities	(408,748,133)	(302,317,038)
Net debt	(1,461,249,495)	(1,100,018,613)

Current debt	31 December	
	2023	2022
Overdraft	(29,835,472)	(27,801,016)
Current portion of lease liability	(99,589,187)	(77,141,698)
Current portion of long term debt	(82,297,342)	(55,695,054)

Long term debt	31 December	
	2023	2022
Financial lease liability	(309,158,946)	(225,175,340)
Long term debt	(1,040,639,641)	(803,273,659)

Increase of the credit facility

On 13 December 2022, following the approval of the General Meeting of Shareholders from 21 November 2022, MedLife together with co-borrowers Bahtco Invest S.A., Accipiens S.A., Policlinica De Diagnostic Rapid S.A., Clinica Polisano S.R.L., Dent Estet Clinic S.A., Genesys Medical Clinic S.R.L., Centrul Medical Sama S.A., Valdi Medica S.R.L., Pharmalife Med S.R.L., Prima Medical S.R.L., Anima Specialty Medical Services S.R.L., CED Pharma S.R.L., Badea Medical S.A., Centrul Medical Micromedica S.R.L., Solomed Clinic S.A., Vita Care Flav S.R.L., Pharmachem Distribuție S.A., Sano Pass S.A., MNT Asset Management S.R.L., MNT Healthcare Europe S.R.L., Sweat Concept One S.A., Onco Card S.R.L., Oncocard Invest S.R.L., Diamed Center S.R.L., Stem Cells Bank S.A., Sfatul Medicului.RO S.A. and Medici's S.A., signed with Banca Comerciala Romana, as lead arranger, a

syndicated credit facility of a total value of EUR 228 million for the refinancing and increase of the existing credit line with EUR 50.7 million. The bank syndicate that signed the new credit granted to MedLife Group is comprised of Banca Comerciala Romana, as coordinator, mandated lead arranger, documentation agent, facility & security agent and lender, Raiffeisen Bank, BRD Groupe Societe Generale, Banca Transilvania, ING Bank N.V. Amsterdam Branch Bucharest, and Erste Group Bank AG, as mandated lead arrangers and lenders.

The syndicated credit agreement involved a financing agreement for existing facilities, extending the financing period, rearranging terms and conditions, as well as an additional increase of 50.7 million euros in 2022, which is in the form of a term facility, used by MedLife, along with other liquidity of the Group, for acquisition opportunities on the market and organic development projects.

As at 31 December 2023, the balance of the syndicated loan was RON 1,009,658,454.

The Group's drawn and undrawn financing facilities as at 31 December 2023, included the following:

- a loan agreement and an overdraft facility agreement secured by CEC Bank S.A. and Clinica Polisano S.R.L., with an outstanding balance as at 31 December 2023 of RON 29,616,443;
- a loan agreement secured by Banca Transilvania S.A. and Ghencea Medical Center, with an outstanding balance as at 31 December 2023 of RON 433,641;
- a loan agreement secured by Banca Transilvania S.A. and Micromedica Roman S.R.L., with an outstanding balance as at 31 December 2023 of RON 630,789;
- loan agreements secured by Banca Transilvania S.A. and Centrul Medical Micromedica S.R.L., with an outstanding balance as at 31 December 2023 of RON 476,628;
- a loan agreement secured by Banca Transilvania S.A. and Dent Estet Ploiesti S.R.L., with an outstanding balance as at 31 December 2023 of RON 1,908,305;
- a loan agreement secured by Banca Comerciala Romana and Life Med S.R.L., with an outstanding balance as at 31 December 2023 of RON 420,292;
- a loan agreement secured by BRD Groupe Societe Generale S.A. and Pro Life Clinics S.R.L., with an outstanding balance as at 31 December 2023 of RON 37,500 and a loan agreement secured by ING Bank N.V. Amsterdam Branch Bucharest and Pro Life Clinics S.R.L., with an outstanding balance as at 31 December 2023 of RON 35,247;
- a loan agreement secured by Banca Transilvania S.A. and Medical City Blue S.R.L., with an outstanding balance as at 31 December 2023 of RON 337,833;
- a loan agreement secured by Banca Transilvania S.A. and Centrul de Diagnostic și Tratament Provita S.R.L., with an outstanding balance as at 31 December 2023 of RON 83,981,514;
- a loan agreement secured by Banca Comerciala Romana and Provita Pain Clinic S.A., with an outstanding balance as at 31 December 2023 of RON 536,307;
- a loan agreement secured by Libra Bank and Policlinica Union S.R.L., with an outstanding balance as at 31 December 2023 of RON 98,759;
- a loan agreement secured by Banca Transilvania S.A. and Onco Team Diagnostic S.R.L., with an outstanding balance as at 31 December 2023 of RON 152,778;
- an overdraft facility agreement secured by Garanti Bank S.A. and Med Life S.A., the amount drawn as of 31 December 2023 being RON 9,949,200;
- an overdraft facility agreement secured by UniCredit Tirioc Bank and Prima Medical S.R.L., with a maximum credit limit of RON 800,000, fully drawn as of 31 December 2023;
- an overdraft facility agreement secured by Banca Transilvania S.A. and Pharmachem Distributie S.R.L., with an outstanding balance as at 31 December 2023 of RON 1,306,367;
- an overdraft facility agreement secured by Banca Transilvania S.A. and Medical City Blue S.R.L., with an outstanding balance as at 31 December 2023 of RON 293,797;

- an overdraft facility agreement secured by Banca Transilvania S.A. and Centrul de Diagnostic și Tratament Provita S.R.L., with an outstanding balance as at 31 December 2023 of RON 2,901,572.

The interest rate for each loan for each interest period is the annual rate that represents the sum of the applicable margin and, depending on the currency of each loan, the 6-month EURIBOR for the amounts in EUR or the 6-month ROBOR for the amounts in RON.

As at 31 December 2023, none of the Group members was in breach of any applicable term of the financing facilities.

4 Financial Analysis

Analysis of the Condensed Consolidated Profit and Loss

	12 months ended 31 December		Variation
	2023	2022	
Revenue from contracts with customers	2,210,435,349	1,795,432,748	23.1%
Other operating revenues	11,300,635	14,118,061	-20.0%
Operating Income	2,221,735,984	1,809,550,809	22.8%
Operating Expenses	(2,130,218,620)	(1,715,321,136)	24.2%
Operating Profit	91,517,364	94,229,673	-2.9%
Financial Result	(87,217,880)	(44,672,371)	95.2%
Profit Before Tax	4,299,484	49,557,301	-91.3%
Income tax expenses	(8,464,341)	(12,124,746)	-30.2%
Profit After Tax	(4,164,857)	37,432,555	-111.1%

Sales as at 31 December 2023 amounted to RON 2,210,435,349, increasing compared to Sales achieved in the 12 months of 2022 by 23.1%. The increase was mainly due to growth across all of the Group's business lines, as well as acquisitions completed by the Group in 2022 and 2023.

Other operating revenues registered a decrease of 20.0% compared to 2022, reaching RON 11,300,635. The decrease was influenced by the reclassification of the capitalized cost of intangible assets to operating expenses.

Operating expenses include fixed and variable expenses, as well as expenses for goods and materials used by the Group to provide services. In 2023, the Group recorded operating expenses of RON 2,130,218,620, representing an increase of 24.2%, compared to the previous year. Operating expenses as a share of total operating revenues represented 95.9% in 2023, respectively 94.8% in 2022.

Operating profit recorded a decrease of 2.9% in 2023 compared to the previous year, from 94,229,673 RON to 91,517,364 RON.

The Financial loss increased by RON 42,545,509 in 2023, RON from 44,672,371 in 2022 to RON 87,217,880 in the 12-month period ending on 31 December 2023.

The Net Result recorded in 2023 decreased by RON 41,597,412 compared to 2022, from a profit of RON 37,432,555 in 2022, to a loss of RON 4,164,857 on 31 December 2023.

Sales breakdown by business line:

Business line	12 months 2023 Sales	% Total Sales	12 months 2022 Sales	% Total Sales	Variation 2023/2022
Clinics	831,236,066	37.6%	616,685,378	34.1%	34.8%
Dentistry	121,778,348	5.5%	119,068,495	6.6%	2.3%
Hospitals	480,454,826	21.7%	377,991,740	20.9%	27.1%
Laboratories	230,656,316	10.4%	199,919,067	11.1%	15.4%
Corporate	259,493,546	11.7%	221,374,274	12.2%	17.2%
Pharmacies	60,709,968	2.7%	80,941,362	4.5%	-25.0%
Others	226,106,278	10.2%	179,452,431	10.5%	26%
Total	2,210,435,349	100.0%	1,795,432,748	100.0%	23.1%

Key operational indicators of the Group:

Business line	Info	12 months ended 31 December	
		2023	2022
Clinics	Revenue	831,236,066	616,685,378
	Visits	3,834,062	3,205,637
	Average fee	216.8	192.4
Dentistry	Revenue	121,778,348	119,068,495
	Visits	185,829	176,437
	Average fee	655.3	674.9
Hospitals	Revenue	480,454,826	377,991,740
	Patients	139,234	116,447
	Average fee	3,450.7	3,246.0
Laboratories	Revenue	230,656,316	199,919,067
	Tests	7,424,270	6,278,105
	Average fee	31.1	31.8
Corporate	Revenue	259,493,546	221,374,274
	Subscriptions	873,036	834,434
	Average fee	297.2	265.3

Business line	Info	12 months ended 31 December	
		2023	2022
Pharmacies	Revenue	60,709,968	80,941,362
	Clients	468,896	575,323
	Average fee	129.5	140.7
Others	Revenue	226,106,278	179,452,431

Regarding the **business lines evolution**:

- **Clinics** remain the Group's main sales unit, with a 38% share of Total Sales in 2023. The 35% increase compared to 2022 is explained by the sustained demand for outpatient medical services and the new acquisitions made in 2022 and 2023, with an increase of 20% of the number of visits and 13% of the average rate;
- **Dentistry**, representing a 6% share of Total Group Sales, recorded a sales increase of only 2%, mainly due to a contraction in 2023 in the number of specialized procedures that were rather postponed by patients;
- **Hospitals**, representing a 22% weight in Total Group Sales, had in 2023 an increase of 27%, supported by the 20% increase in the number of patients compared to the previous year, simultaneously with the increase in the number of medical teams and the complexity of the medical act, the consolidation of the Oncocard, Muntenia and Nord hospitals during the 2022 and 2023. The average fee also increased by 6%;
- **Laboratories**, with a share of 10% in Total Group Sales, saw a 15% increase compared to 2022 and a 18% increase in the number of laboratory tests performed;
- **Corporate**, accounting for 12% of Total Group Sales had a 17% increase in revenue, supported by growth in subscriptions and constant price adjustments.

In terms of revenue split between FSS, NHIH and contracts, 60% comes from FFS, 27% from NHIH and 13% is invoiced.

Operating Expenses evolution:

	12 months		Variation
	2023	2022	
Consumable and repair materials	389,887,326	311,233,127	25.3%
Commodities expenses	208,134,799	209,975,320	-0.9%
Utilities	34,016,431	25,955,216	31.1%
Repairs maintenance	19,369,183	13,361,182	45.0%
Rent	12,823,124	8,432,798	52.1%
Insurance premiums	5,962,658	4,711,548	26.6%
Promotion expenses	37,019,353	26,664,612	38.8%
Communication	6,030,747	5,211,175	15.7%

	12 months		Variation
	2023	2022	
Third party expenses (including doctor agreements')	625,309,108	468,196,458	33.6%
Salary and related expenses	543,024,486	442,897,905	22.6%
Social contributions	19,480,725	15,852,088	22.9%
Depreciation	197,390,915	152,410,751	29.5%
Impairment losses and gains (including reversals of impairment losses)	2,688,649	4,851,599	-44.6%
Other administration and operating expenses	29,081,116	25,567,358	13.7%
Total	2,130,218,620	1,715,321,136	24.2%

5 Main Financial Indicators

	31 December		Variation
	2023	2022	
ASSETS			
Non-Current Assets			
Goodwill	445,395,617	368,672,606	20.8%
Intangible assets	118,906,011	100,192,265	18.7%
Property, plant and equipment	1,101,015,115	828,501,060	32.9%
Right-of-use assets	396,569,537	306,413,389	29.4%
Other financial assets	40,942,540	82,810,704	-50.6%
Total Non-Current Assets	2,102,828,820	1,686,590,024	24.7%
Current Assets			
Inventories	109,657,497	98,770,370	11.0%
Trade receivables	261,664,410	221,358,860	18.2%
Other assets	50,216,242	44,362,334	13.2%
Cash and Cash equivalents	100,271,093	89,068,154	12.6%
Prepayments	11,699,369	11,826,587	-1.1%
Total Current Assets	533,508,611	465,386,305	14.6%
TOTAL ASSETS	2,636,337,431	2,151,976,329	22.5%
LIABILITIES AND SHAREHOLDERS' EQUITY			
Non-Current Liabilities			
Lease liability	309,158,946	225,175,340	37.3%

	31 December		Variation
	2023	2022	
Other long term debt	47,775,013	21,657,277	120.6%
Interest-bearing loans and borrowings	1,040,639,641	803,273,659	29.5%
Deferred tax liability	44,897,775	44,250,160	1.5%
Total Non-Current Liabilities	1,442,471,375	1,094,356,436	31.8%
Current Liabilities			
Trade and other payables	404,553,771	335,356,742	20.6%
Overdraft	29,835,472	27,801,016	7.3%
Current portion of lease liability	99,589,187	77,141,698	29.1%
Current portion of interest-bearing loans and borrowings	82,297,342	55,695,054	47.8%
Current tax liabilities	321,242	814,508	-60.6%
Provisions	11,116,544	9,783,326	13.6%
Other liabilities	71,960,475	68,989,304	4.3%
Total Current Liabilities	699,674,033	575,581,648	21.6%
TOTAL LIABILITIES	2,142,145,408	1,669,938,084	28.3%
SHAREHOLDERS' EQUITY			
Share capital and Share premium	132,562,338	83,812,556	58.2%
Treasury shares	(681,892)	(3,219,219)	-78.8%
Reserves	212,560,216	204,591,242	3.9%
Retained earnings	70,850,636	131,596,255	-46.2%
Equity attributable to owners of the Group	415,291,298	416,780,834	-0.4%
Non-controlling interests	78,900,725	65,257,411	20.9%
TOTAL EQUITY	494,192,023	482,038,245	2.5%
TOTAL LIABILITIES AND EQUITY	2,636,337,431	2,151,976,328	22.5%

Analysis of the Consolidated Statement of Financial Position

Non-current assets amounted to RON 2,102,828,820 as at 31 December 2023, registering an increase of RON 416,238,796, or 24.7% compared to 31 December 2022. The increase was mainly due to the increase in Property, plant and equipment, as a result of the consolidation of the new acquired companies, as well as of the organic growth projects, the most significant being the Nord Hospital and the Oncology Centers. The increase was also due to the increase in Goodwill as a result of the investments in the new acquired companies.

Current assets increased by RON 68,122,306, or 14.6%, from RON 465,386,305 as at 31 December 2022 to RON 533,508,611 as at 31 December 2023.

Current liabilities (excluding interest-bearing liabilities) increased by RON 73,008,152, or 17.6%, from RON 414,943,880 as at 31 December 2022, to RON 487,952,032 as at 31 December 2023.

Interest-bearing liabilities increased by RON 372,433,821, or 31.3%, from RON 1,189,086,767 as at 31 December 2022 to RON 1,561,520,588 as at 31 December 2023.

Financial Indicators

Current ratio		Period ended 31 December 2023
Current assets	533,508,611	= 0.76
Current liabilities	699,674,033	

Debt to equity ratio		Period ended 31 December 2023
Long term debt	1,397,573,600	= 283%
Equity	494,192,023	
Long term debt	1,397,573,600	= 74%
Capital Assets	1,891,765,623	

Trade receivables turnover (days)		Period ended 31 December 2023
Average receivables	241,511,635	= 39.33
Sales x 90/180/360	2,210,435,349	

Non-current assets turnover		Period ended 31 December 2023
Sales	2,210,435,349	= 1.05
Non-current assets	2,102,828,820	

6 2024 Outlook

As we announced at the beginning of the year, 2023 was a year in which we focused on optimizing and consolidating the business at national level.

2024 will be a year of evolution and excellence in the medical act, continuing our commitment to invest in technology and in strengthening the largest medical network, with the objective of bringing the medicine of the future closer to patients.

At the same time, we will focus on the process of consolidating and streamlining activities at Group level, with a strong orientation towards resilient medical services in less favorable economic periods, as well as the consolidation of profitability margins and the gradual reduction of the Net Debt / EBITDA ratio, for a balanced development of the business.

The strategic priorities from an operational point of view include the continuation of the development of the MedLife Medical Park project in Bucharest, the consolidation of the multidisciplinary hospital Provita Nord and the opening of new units in the country.

7 Non-Financial Information

7.1 General presentation of the Group's activity

MedLife Group dedicates all its resources to providing its patients with professional medical services of the highest standards, based on the latest technologies available, in conditions of safety and increased comfort. The Group has constantly developed based on the desire to offer the most fastidious and complex medical services. The purpose of the medical facilities is to improve the quality of life for each patient who benefits from MedLife's medical services. Access to the Group's services is facilitated by the existing integrated system consisting of: hospitals, outpatient units, laboratories, pharmacies, imaging and corporate subscriptions. Thus, MedLife has become the largest private provider of medical services at national level in terms of sales, and makes every effort to continue to meet the needs of patients and ensure the quality and safety of the medical act.

The Group offers medical services through the largest team of doctors and nurses working in the private sector in Romania. MedLife hires full-time specialists for the vast majority of specialties offered, but also on a limited-term basis for specific specialties or functions, or works with collaborator medical personnel. In addition, given its commitment to providing quality medical services, the Group has consistently invested in medical equipment, which has helped maintain its market leadership position in diagnostic imaging technology.

7.2 Business model

MedLife's concept of Hyperclinics - large ambulatory clinics, as well as the integration of various business lines in the Group, offers substantial potential for revenue capture. For example, a patient covered by HPP who visits a Group clinic for a preventive check-up may be advised to carry out additional tests or request additional consultations that are not covered by his subscription. These additional services or consultations are often available within the same Hyperclinic, thus giving the customer the possibility to choose MedLife's services. The Group's ability to accompany patients from prevention, to diagnosis and treatment, offers them a continuity of treatment, and for the Group the possibility of capturing FFS revenues.

The Group's Pharmacies business line is another example of revenue capture. When a prescription is filled in one of the Group's consultation offices, patients will often use the most convenient location to pick it up: a pharmacy that is in the same building where the prescription was filled.

The Group's expansion into the Dentistry business line adds another step to this revenue capture strategy. Preventive dental check-ups may be included in some medical prevention and prophylaxis packages, which may lead patients to choose the Group for any follow-up treatment as an FFS client.

Sales mostly from cash and corporate payment, with low dependence on the National Health Insurance Funds

Many private providers of medical services in Romania remain dependent for a significant part of their sales on the contracts with NHIH to serve state-insured patients. This increases their exposure to changes in NHIH` priorities, prices and allocation systems for medical services. Considering that only 27% of the Group's sales during 2023 come from the treatment of patients insured by NHIH, the Group can independently determine its policies and priorities.

The largest number of corporate clients in Romania

With over 870,000 corporate subscribers as at 31 December 2023, the Group has access to a significant potential customer base for its FFS activities. This base is further expanded when corporate subscribers bring family members and refer others to the Group's FFS offering. The corporate client base also offers opportunities for up-selling, as many of the corporate clients start with basic medical service packages and gradually move to more comprehensive services.

The Group's continued investment in new medical facilities sets the stage for potential new corporate customers, as the Group's ability to serve corporate subscribers in its own medical facilities is often key to customers' purchasing decisions. The market outside Bucharest remains, in the Group's view, underdeveloped for corporates and, as such, represents an opportunity for further growth through the acquisition and integration of local and regional suppliers, thus expanding its footprint at national level and increasing its attractiveness to corporate customers.

Experienced management capable of generating and managing business development through both organic growth and acquisitions

The Group's track record of organic and acquisition growth is largely due to the Group's strong management team. MedLife has developed screening systems for potential acquisitions, performing detailed analysis, making timely decisions and implementing a fast and efficient integration process post-transaction. The company has a reputation in the market as a "friendly acquirer", mainly because the founders of the acquired companies are often given the opportunity to stay in the business as minority shareholders and managers of the subsidiaries. Through this approach, MedLife retains their accumulated experience and market knowledge while being able to fully integrate the acquisition into its own systems and increase its revenue capture opportunities. Also, by implementing the share buyback and exchange program with minority shareholders, the Group encourages the alignment of interests and the contribution of the founders of the subsidiaries to the Group's integrated activity.

From 2010 to the end of 2023, MedLife completed 68 acquisitions, thus acquiring valuable expertise and knowledge for the Group, which will allow finding the best methods for continuous and efficient expansion.

7.3 Strategy

The Group's strategy focuses on maintaining its leadership position. MedLife Group aims to expand its portfolio of facilities and services, ensuring a profitable national coverage, to meet the needs of the Group's existing and new customers. At the same time, the Group remains committed to providing patients with safe and quality medical treatments, ensuring a balance between medical risks and opportunities and the Group's commercial objectives. Thus, at the end of 2023, the MedLife network included 35 hyperclinics, 68 clinics, 15 hospitals, 39 laboratories, 18 dental clinics and 21 pharmacies, the Group being the only medical service provider present with large clinics in all cities with more than 150,000 residents.

The Group is looking for opportunities to capture additional revenue and realize synergies within its current network and services. MedLife aims to achieve this goal through both organic growth and the acquisition of smaller healthcare providers in the market. As a result of this strategy, over the past five years, the MedLife Group has been characterized by significant sales increases from one reporting period to another.

Organic growth

The Group's strategy aims to consolidate in large cities with over 150,000 inhabitants through the MedLife brand network, but also in medium and small cities through the Sfanta Maria brand, considering the large number of acquisitions in recent years.

We are also continuing the development plan of the Group's important business lines: clinics, laboratories, hospitals, dental clinics and medical subscriptions.

At the same time, MedLife's priorities continue to focus on the area of research, oncology and radiotherapy, the amplification of the digitization process, as well as the consolidation and optimization of the companies within the Group.

7.4 People and resources

The Group serves patients through the largest private team of doctors and nurses in Romania. As of 31 December 2023, the Group collaborates with a number of more than 4,800 doctors and 2,800 qualified nurses in its lines of activity, both employees who work exclusively for the Group, as well as collaborators, providing services as independent professionals. Additionally, as of 31 December 2023, over 2,700 full-time employees were working in administrative and support roles.

The Group's objective is for the medical staff to consist mostly of full-time employees, even if certain specialties and functions are very difficult to fill in the current market conditions. In these circumstances, the Group concludes part-time employment or collaboration agreements with the respective staff. The type of contractual arrangement between the Group and its medical staff depends on various criteria, such as the professional context, or the time that the medical staff can allocate to the services provided within the Group. The medical personnel with service contracts are considered by the Group as commercial partners providing services to the Group as an independent contractor, in accordance with the applicable legislation.

The Group seeks to provide appropriate compensation and incentives to physicians and medical staff in exchange for quality healthcare and commitments to promote the MedLife Group business model. The regular compensation package offered by the Group to its employees includes a fixed remuneration, to which is added a variable remuneration, determined on the basis of a revenue sharing mechanism, related to the programming and consultation activity. Associates are compensated based on the number of appointments and consultations provided. The Group does not operate pension plans or long-term benefit plans.

The group invests in human resources programs such as Life Academy and Good Practice - Nurses School. These training programs are designed to ensure the continued professional development of its employees, both support and administrative staff, as well as medical staff.

Regarding the relationship with colleagues, the Group ensures a safe working environment where employees are treated fairly and with respect, and differences between employees are accepted.

The Group is committed to providing colleagues with the opportunity to excel and reach their full potential and to reward them on merit.

The Group does not tolerate any discrimination, intimidation or harassment of, or between colleagues. The Group encourages clear and open communication with and among colleagues. They can and should promptly raise any concerns about any unethical or illegal behavior by bringing these concerns to the Group's human resources department. The Group undertakes to investigate such concerns raised in good faith, maintaining the confidentiality of such proceedings.

7.5 Quality standards

MedLife has implemented the following standards for Quality, Environmental Protection and Medicine and Occupational Safety management systems:

- ISO 9001:2015 (Quality Management System) through which the organization demonstrates that it has identified the risks and acts to eliminate or limit their effects, which may have a negative impact on the ability of the quality management system to achieve the desired results, as well as a negative impact on customer satisfaction.
- ISO 14001:2015 (Environmental Management System) The implementation of this standard ensures the management of the company and its employees, as well as the external parties involved (shareholders, investors, institutions, authorities) that the organization's impact on the environment is measured and constantly improved.
- ISO 45001:2018 (Operational Health and Safety Management System) is a working model for organizations that want better control over occupational risks.

Health, safety, security and environment

The Group obeys and respects Romanian laws and regulations related to health, safety, security and environmental issues. These laws and regulations relate to, among other things, the management and disposal of hazardous substances and medical waste, exposure to hazardous materials, and the protection of employee health and safety. The Group is required to obtain permits, licenses and environmental authorizations and to inform local authorities before opening new administrative and medical facilities.

Equipment and technology

The Group purchases medical equipment to provide each client with professionally qualified medical services at the highest standards. These devices include, but are not limited to: optical coherence tomography systems, magnetic resonance imaging equipment, computerized tomography equipment, bone density measuring instruments, imaging and identification systems used in dermoscopy, measurement equipment hepatic rigidity, laser, vacuum systems for reducing fat deposits by cryolysis (LipoCryo), video-capsule endoscopy systems.

The Group's laboratories have state-of-the-art equipment such as the Abbot Accelerator A3600 automatic line in the MedLife Grivița laboratory, the first in Romania and Eastern Europe, which significantly contributes to increasing the accuracy of analyzes, reducing execution time and ensuring better traceability and tracking of samples each patient.

In 2023, the MedLife Group invested in technology at an unprecedented level, strengthening its expertise in integrated and niche medical services by strengthening the areas of oncology and radiotherapy. The Group is also the operator with the greatest expertise in the field of genetic sequencing, especially in the field of oncological pathologies. Consistent investments in innovation,

digitization and technology illustrate MedLife's progress in providing the highest quality healthcare by facilitating advanced diagnostics and personalizing treatments for patients.

Thus, in 2023, we opened in Braşov, the first mobile hybrid room in the center of the country and one of the few in the whole country. The mobile hybrid theater is a complete operating room that has the most advanced equipment and technology available today, to which is added a mobile 2D and 3D radiology equipment and a state-of-the-art image fusion system that allows, for the same patient, simultaneous open and minimally invasive surgical gestures of vascular surgery and cardiology under radiological control, avoiding the need to submit the patient to several consecutive surgical interventions. The mobile hybrid theater is composed of:

- hybrid C-arm (C-arm) that provides high-resolution radiological images of the condition of arteries and veins in the human body;
- mobile radio-transparent operating table with the possibility of sterile intra-operative control;
- endovascular navigation system, which allows the fusion of the images obtained with the help of a CT with contrast substance and the intra-operative images obtained with the C-arm, thus forming 3D images of the patient's organs.

We also continued our investments in the field of robotic surgery by acquiring the third da Vinci robot within the Group, which operates in the MedLife Polissano Sibiu Hospital. The da Vinci X robotic system is a fusion between conventional laparoscopic technique and high-precision robotic technology. This complex system is an extension of the surgeon, which, thanks to the four multi-articulated arms and a special technology, allows the translation, in real time, of the doctor's indications into movements of great finesse and precision, far superior to human movements.

Beyond the opportunities from the doctors' perspective, robotic surgery offers many more advantages to patients, especially compared to conventional surgical approaches. Interventions performed with the da Vinci X robot involve making very small incisions, with minimal aesthetic effects, but also reducing the risk of intra-operative complications, bleeding or infections.

In 2023, we marked a series of championships on the Romanian health sector. One of these refers to bringing the newest neurosurgical robotic technology currently available on the international medical market, to the MedLife Humanitas Hospital in Cluj, thus becoming the only center in Romania and one of the few in Europe equipped with the Brainlab system. It is a suite consisting of a Loop-X three-dimensional intraoperative robotic imaging system, the Curve neuronavigation system and the Cirq robotic arm, systems that can be used to perform minimally invasive surgeries of high complexity, both for spinal conditions vertebral, as well as for cerebral pathologies.

Another premiere registered in 2023, was the introduction of the system of transportation of biological samples through drones, MedLife thus becoming the first private medical operator in Romania and Central and Eastern Europe to use drones for the transport of laboratory samples and one of the few medical operators in Europe that currently transports biological samples over medium and long distances. With a length of 120 km, the route initiated by MedLife between Oradea and Arad becomes the longest drone flight route for medical samples in Europe. With the implementation of the new drone transport platform, the delivery time of biological samples is reduced by more than 50% compared to land transportation. Thus, MedLife Group manages to provide patients with faster results, shortening the response time for 76% of the range of laboratory tests. The new transport system introduced by MedLife is based on 3 Swoop Aero Kite drones, equipped with state-of-the-art technology and high-performance software, which allow samples to be transported in complete safety. The aircrafts are completely autonomous, a single pilot being able to monitor several drones simultaneously, the human factor intervening only for loading and unloading samples. In the future, we are considering expanding the number of locations, by including on the routes the collection points from the counties of Arad, Hunedoara, Mehedinti, Gorj, Timis and Caras-Severin. Drones will cover

transport from collection points located outside the city in a proportion of almost 100%, thus replacing the transport by cars, which is commonly used.

IT

The Group relies on international suppliers for IT hardware infrastructure. Regarding the communication between the different Group locations', it uses a Managed VPN network with SDWAN, with firewall-type security equipment with active anti-malware, antivirus, traffic inspection IPS, Proxy, NAT, URL filtering services.

The Group has also implemented a robust IT infrastructure across all its hospitals, covering admissions and appointments, surgeries, medical procedures, patient check-in and check-out, medical supplies management, customer-level billing and generating various reports.

The Laboratories business line has been equipped with software to manage laboratory testing processes, including sample management, patient records, barcode labeling and automated procedures for final results.

We also have an integrated workflow between medical and financial-accounting operations. This integrated system is a software solution that takes into account all the needs of the company and its way of organization, that leads to the achievement of the proposed goals and unite all functions. The application of this system allows:

- facilitation of the realization of a unique information system, for all company functions;
- tracking of all activities and improving the image of the organization;
- organization and optimization of data acquisition methodologies;
- introduction of the latest technologies specific to the type of activity;
- elimination of the redundancy of the data used;
- optimal organization of the database.

7.6 Principles regarding respect for human rights

The Group is committed to treating patients, competitors and suppliers fairly. All colleagues must always act with integrity and honesty, continuously protecting the Group's reputation when dealing with patients, competitors and suppliers.

The Group aims to create and maintain mutually beneficial relationships with its patients by promoting a climate of trust and transparency coupled with innovation and good medical practice. The Group ensures that all suppliers are selected and contracted based on merit and objective business standards so as to avoid real or perceived favouritism.

The Group is committed to free and fair competition and has no relationships with its competitors. The Group complies with all laws and regulations in its field of activity, along with industry standards and internationally accepted practices.

7.7 Anti-Bribery and Anti-Corruption Principles

Pursuant to the Articles of Incorporation, all payments made by the Group to public authorities, in the jurisdictions in which the Group operates, are in accordance with all applicable legal provisions and are made solely for the purpose of ensuring the execution of routine governmental activities.

The Group has a zero tolerance policy on bribery and corruption. Group policy prohibits promising, offering, or paying bribes, or soliciting, accepting, or receiving bribes.

The Group also prohibits colleagues from accepting gifts, hospitality or gifts intended to influence business decisions.

7.8 Protection of Public Interest Whistleblowers

According to the Group's internal policies and Law no. 361/2022 on the protection of whistleblowers in the public interest, the management of the Group ensures that the activity is carried out with honesty and integrity and ensures that whistleblowers who provide information or cause information to be disclosed, or who participate in the investigation of reports, are protected against retaliation.

In this regard, MedLife's Board of Directors approved the Whistleblower Protection Policy which entered into force on 14.11.2023. The purpose of this policy, as well as the integrity warning, is to protect MedLife from ethical misconduct, fraud and any other non-compliance issues that would cause reputational, commercial or legal sanctions, affecting MedLife's prestige and image.

The policy describes the internal general principles and rules regarding the addressing of warnings or notifications, of potential deviations or violations within MedLife, as well as the protection measures for persons who warn/report or complain of irregularities, thus having the quality of a whistleblower. It applies to the entire MedLife Group, i.e. to all companies controlled or in which MedLife holds a majority stake, regardless of whether or not, at the time of receiving a notification, the respective entity in the MedLife Group has implemented an internal policy similar to MedLife's policy.

Main objectives of the Policy:

- to encourage any employee, customer, supplier, contractor, subcontractor or any other party dealing with MedLife's business to report any violation of the law as quickly as possible, with the confidence that the warning will be taken seriously, investigated correctly and with the assurance of the whistleblower's confidentiality;
- to provide the whistleblower with guidance on how to present these warnings/complaints;
- to assure the whistleblower of the absence of any retaliations if he exposed the problems in good faith;
- to ensure the respect of the rights of the persons concerned.

The principles governing whistleblower protection are as follows:

- the principle of legality, according to which MedLife respects fundamental rights and freedoms, by ensuring full respect, among others, of freedom of expression and information, the right to the protection of personal data, the right to a high level of consumer protection, the right to a high level of human health protection, the right to a high level of environmental protection, the right to an effective remedy and the right to defence;
- the principle of responsibility, according to which the whistleblower is obliged to support the reporting with relevant and pertinent data or information;
- the principle of impartiality, according to which the examination and resolution of reports are done without subjectivity, regardless of one's own beliefs and interests;
- the principle of balance, according to which no person can prevail from the provisions of this Policy to reduce the disciplinary sanction for a more serious act;

- the principle of good faith, according to which the person who had reasonable grounds to believe that the information regarding the reported violations was true at the time of reporting, is protected.

7.9 Corporate social responsibility

MedLife Group Values:

- **Responsibility:** MedLife Group guides its actions according to what is important for people's lives and health;
- **Professionalism:** MedLife Group brings together more than 4,500 doctors, professors, lecturers, doctors in medicine who fulfill their jobs with dedication and professionalism every day;
- **Innovation:** MedLife Group has a constant concern for methods, technology and organization that lead to better and more effective medical solutions;
- **Care and respect:** Every patient is important and respected, and everyone's needs are treated with care and attention.

Several technological advances have allowed medicine to evolve towards minimally invasive techniques that expose patients to low risks and allow for a faster recovery period. In developed countries, it is a common practice, for many years, for patients to be able to go home without requiring overnight hospitalization. In 2005, MedLife was the first to introduce this concept on the Romanian market. The Group thus created wards within the hospitals and hyperclinics, where patients can benefit from minimally invasive techniques.

MedLife's concept "**Together We Make Romania Better**" started with the desire to bring good in Romania in as many forms as possible, not only in health, but also in the medical system. Thus, MedLife Group has developed and supported a series of projects, events and ideas for the benefit of employees or medical personnel at the beginning of the journey. Also, the company constantly organized or participated to medical events where doctors from the country and abroad had the opportunity to share knowledge, technologies or procedures.

Hope Doesn't Die of Cancer

MedLife pays more attention to the country profile in terms of health and strives to act where it is most needed, building day by day, on the assumed commitment of making Romania well. In the pediatric oncology segment, the statistics are worrying. Every day, a child in Romania is diagnosed with cancer, entering the battle with a disease that can be defeated if it is detected in time and if a personalized treatment, adjusted to each patient, is applied. The average survival rate for children diagnosed with cancer in our country is 69.1%, 10% lower than the Western Europe average.

To support children diagnosed with cancer, MedLife established the **#Hope Doesn't Die of Cancer** program, offering access to one of the world's most complex sequencing tests for oncological conditions, free of charge. Based on the results of genetic tests, doctors can choose a personalized treatment, targeted therapy or immunotherapy for each child, which can increase the chance of cure or the survival rate. Further, it also depends on the involvement of the authorities so that the necessary treatments for each individual patient are available in our country and accessible regardless of income.

Approximately 300 sick children have benefited from the MedLife program, representing approximately 50% of the estimated number of those diagnosed with cancer annually.

Approximately 65% of those enrolled practically benefited from the program, enabling them to obtain an accurate prognosis, identify mutations relevant to treatment, or predict resistance to certain therapies. The percentage is determined by the type of cancer and the status of current knowledge about cancer types. Thus, as far as leukemias are concerned, a successful interpretation can be reached in over 90% of cases.

MedLife's social program will continue in 2024 as it can bring a change not only at system level, but especially, at patient level, offering hope in the lives of the most vulnerable among us.

Blood donation campaign

MedLife launched a national blood donation program to support blood transfusion centers and promote this behavior in the Romanian society. The program is held every year in the largest cities in the country.

Pro bono cases

The Group's commitment remains the treatment and help of patients who need medical interventions, regardless of their background or their financial situation. Whether mild or serious, the Group's doctors deal with cases brought by humanitarian foundations or cases identified by the Group's employees.

Medical consultations for children from disadvantaged backgrounds

Doing good is part of our employees' nature, a defining attitude for the organizations we choose to support as well. In 2023, MedLife's general medical staff provided free consultations to several children from disadvantaged backgrounds to ensure that they start healthy in the camps organized by our partners.

Backpacks donation campaigns

As part of the "**Together we color more than 100 dreams**" campaign, MedLife employees prepared 121 backpacks full of supplies for children facing serious illnesses or living in disadvantaged environments. The action was carried out through an association that provides support in their fight for education and health.

24/7 medical hotline

With the MedLife subscription, each subscriber benefits from medical advice, after which it is determined whether a physical consultation is needed. The hotline is available to subscribers 24/7, offering unlimited access to medical information and advice. In 2023, the medical hotline remained a basic service for MedLife's subscribers.

Online consultation platform

MedLife was the first private healthcare company to launch an online consultation platform. Thus, patients could contact the doctor via video conference and receive a diagnosis and treatment, where a physical consultation is not necessary.

Doctor's advice

Doctor's Advice is a newsletter dedicated to our patients. Through it, we provide the correct information regarding various conditions or symptoms. Thus, by e-mail, MedLife's clients regularly receive informative materials drafted with the support of our medical staff.

Mobile caravans for information

Through the mobile caravans, MedLife's specialists conducted interactive medical workshops at companies' headquarters. Thus, company employees received answers and details about the most common ailments at work, but also advice on how they can be identified and prevented.

InfoLife

InfoLife magazine is a traditional project, launched 14 years ago, with the aim of supporting our patients with medical articles of interest, information about the latest techniques and technologies, interviews with doctors and other Romanians with whom **We Make Romania Good Together**.

We Make Romania Green

The Green Project, together with every action undertaken by the Group, is the essence of the brand. In addition to honoring the promise of a quality medical act and excellence proven to each patient, the campaign represents the Group's desire to get even more involved in the future of new generations. Over the past 5 years, MedLife volunteers have planted tens of thousands of trees, thus contributing to the reforestation of hard-to-reach areas affected by deforestation. In addition, we supported an environmental education campaign for children to teach them to maintain cleaning and collect waste selectively.

Responsible energy consumption

Within the MedLife units, we monitor the energy consumption related to the area and the type of activity carried out. We consume natural gas, electricity and fuel, and the main sources of consumption are: the air conditioning system, MRI machines and other large imaging machines (radiology, angiograph, CT).

Over time we have implemented LED technology that we use in 99% of the time. Operating theaters within hospitals and beyond have been equipped with devices that enable LED lighting, and energy-efficient settings for heating, ventilation and air conditioning have been implemented, reducing energy use. LED lighting is also used in elevators and patient waiting areas.

Currently, we are implementing a set of measures for the intelligent control of consumers of various types of energy (thermal, electric, etc.), the renewal of chillers, 2 installations being replaced so far. We consider and analyze the possibility of using photovoltaic panels.

Waste management

Waste management is an important concern at Group level, being one of the most significant environmental impacts. The activities we carry out generate both non-hazardous and hazardous waste. To manage this effectively, waste disposal is an outsourced activity, with specific contracts for the collection of all types of waste.

To carry out our activities, we also consume water, which we capture exclusively from the public network. We monitor water consumption monthly and through internal work procedures we ensure that we eliminate any risk of biological contamination of discharged water.

At the same time, in our activities we also use a number of substances that fall into the category of dangerous ones, such as medicines and certain substances considered drug precursors (for example toluene), for which we also have very strict working procedures.

8 Corporate governance

8.1 Corporate Governance Statement

MedLife and the members of the Board of Directors comply with the corporate governance regime established by the Companies Act.

Starting from January 4, 2016, the Corporate Governance Code of the Bucharest Stock Exchange ("BVB") entered into force, applicable to all issuers of securities traded on the regulated market of the Bucharest Stock Exchange. MedLife has adhered to the Corporate Governance Code of the Bucharest Stock Exchange considering its capacity as issuer on the capital market. The BVB Corporate Governance Code can be consulted on BVB's official website (www.bvb.ro).

All holders of financial instruments benefit from equal treatment, the Company ensuring effective, active and transparent communication with its shareholders. In this regard, on MedLife's website, in the Investor Relations – Corporate Governance – Corporate Governance Documents section, the following policies and procedures can be consulted: The procedure for organizing and holding General Shareholders' Meetings, the Code of Ethics and Conduct, the Code of social responsibility, the Policy regarding forecasts, the Corporate Governance Statute, the Audit Committee's operating regulations, the Dividend Policy and the Remuneration Policy, documents referred to in the Declaration on Compliance with the Corporate Governance Code.

The Group monitors environmental, social and human resources policies through existing corporate governance procedures. The responsibility was delegated by the Board of Directors to the management team specific to each existing department.

8.2 Shareholder structure

As at December 31, 2023, the synthetic structure of Med Life S.A.'s shareholding, according to the data received from the Central Depository, was as follows:

	Number of shares	% share capital
Legal persons	289,227,475	54.42%
Marcu Mihail	78,484,828	14.77%
Cristescu Mihaela Gabriela	74,642,760	14.04%
Marcu Nicolae	55,341,600	10.41%
Others	33,785,305	6.36%
Total	531,481,968	100.00%

Shareholder structure by type and country

	Number of shares	% share capital
Romanian Legal persons	227,430,766	42.79%
Foreign Legal persons	61,796,709	11.63%
Romanian Individuals	242,162,358	45.56%
Foreign Individuals	92,135	0.02%
Total	531,481,968	100.00%

Largest shareholders as at 31 December 2023*

	Număr acțiuni	% din Capitalul social
Marcu Mihail	78,484,828	14.77%
Cristescu Mihaela Gabriela	74,642,760	14.04%
NN Privately administered Pension Fund	70,356,940	13.24%
Marcu Nicolae	55,341,600	10.41%
AZT Viitorul Tău Privately administered Pension Fund	46,219,200	8.70%
Total	325,045,328	61.16%

* Shareholders holding more than 5% of the company's share capital.

8.3 The management bodies of the Company

MedLife is administered in a unitary system by the Board of Directors, consisting of 7 members appointed by the Ordinary General Meeting of Shareholders for a 4-year term, with the possibility of being re-elected. Of the 7 members of MedLife's Board of Directors, 3 members are independent members. The Board of Directors is responsible for the management of MedLife, acting in the interest of the company and protecting the general interests of its shareholders by ensuring the sustainable development of the Company. According to the Constitutive Act, the Board of Directors is responsible for all useful and necessary acts in order to fulfill MedLife's object of activity, including the administration of MedLife's subsidiaries or investments, with the exception of the powers that are assigned by law to the General Meeting of Shareholders.

Board of Directors

On December 31, 2023, the composition of the Board of Directors was as follows:

Name	Position	Appointment Date	Termination Date
Mihail Marcu	Chairman of the Board of Directors, CEO	01.08.2006	20.12.2024
Ana Maria Mihaescu	Independent Member of the Board of Directors	01.09.2017	20.12.2024
Dimitrie Pelinescu-Onciul	Member of the Board of Directors	01.05.2017	20.12.2024
Dorin Preda	Member of the Board of Directors	02.05.2017	20.12.2024

Name	Position	Appointment Date	Termination Date
Nicolae Marcu	Member of the Board of Directors	01.05.2017	20.12.2024
Voicu Cheta	Independent Member of the Board of Directors	21.12.2020	20.12.2024
Ovidiu Fer	Independent Member of the Board of Directors	21.12.2020	20.12.2024

Mihail Marcu (1970) - Chairman of the Board of Directors, CEO

Mihail Marcu is the Chairman of MedLife's Board of Directors since August 2006 and MedLife's CEO since December 2016. Mihail Marcu is a graduate of the University of Bucharest, Faculty of Mathematics and Informatics (1995) and attended a series of postgraduate studies and courses specialization courses from the Romanian Banking Institute, The Open University, DC Gardner training or Codex, both in Romania and abroad. Prior to holding the position of member of MedLife's Board of Directors, between January 2004 and August 2006, Mihail Marcu was General Director of MedLife, and previously held the position of Vice President within RoBank S.A. (currently, OTP Bank Romania S.A.), being authorized in this capacity by the National Bank of Romania. Previously, Mihail held various positions at Credit Bank Romania S.A., respectively RoBank S.A., including credit inspector, head of credit service, director of the credit department and director of the corporate department.

Ana Maria Mihaescu (1955) - Independent Member of the Board of Directors

Ana Maria Mihaescu has been a member of MedLife's Board of Directors since September 2017. For 20 years, Ana Maria Mihaescu led the mission of the International Finance Corporation ("IFC") in Romania, a division of the World Bank and the largest financier of the private sector in emerging countries. Between 2011 and 2016, Ana Maria Mihaescu had a decision-making role regarding IFC projects in several European countries, including Romania. She previously held top management positions in the banking sector. Since 2016 to 2023 she was part of the Supervisory Board of Raiffeisen Bank as an independent member.

Dimitrie Pelinescu-Onciul (1947) - Member of the Board of Directors

Dimitrie Pelinescu-Onciul has been a member of MedLife's Board of Directors since 2008. He is a graduate of the Carol Davila University of Medicine and Pharmacy in Bucharest, Faculty of Medicine (1972), specializing in obstetrics and gynecology (resident 1978-1981) and Doctor of Medical Sciences since 1994. Dimitrie Pelinescu-Onciul is a member of 11 scientific societies in Romania and 7 scientific societies abroad, holding, among others, the position of president of the Romanian Perinatal Medicine Association (2006-2008). Prior to joining the MedLife team in 2004, Dimitrie Pelinescu-Onciul worked at Filantropia Clinical Hospital, Bucharest (1994-2004), Titan Clinical Hospital, Bucharest (1986-1991), Brâncovenesc Clinical Hospital (1978-1981) and the rural Sinești hospital, Vâlcea county (1972-1978), holding the position of primary obstetrician-gynecology physician, head of clinic or hospital director.

Dorin Preda (1976) - Member of the Board of Directors; Chief Finance and Treasury

Dorin Preda has been a member of MedLife's Board of Directors since 2008. He is a graduate of the Academy of Economic Studies in Bucharest, Faculty of Finance, Insurance, Banks and Stock Exchanges (1998). Prior to joining the MedLife team, Dorin Preda held the position of Executive Director (CEO) within Asilife Insurance Broker S.R.L. (2007-2008), branch manager within HVB – Tiriac Bank S.A. (2006-2007), HVB Bank S.A. (2005-2006), Banca Comerciala Ion Tiriac (2004-2005) and Banca Comerciala RoBank S.A. (2003-2004). He also held the position of director of the

Loans and Marketing Department at RoBank S.A. Commercial Bank (2001-2002), credit analyst at the same bank (2000-2001) and director of the Loans Department at Dacia Felix S.A. Bank. (1999-2000).

Nicolae Marcu (1968) – Member of the Board of Directors, Chief Healthcare and Operations Officer

Nicolae Marcu is a member of MedLife's Board of Directors and Health and Operations Director of MedLife since December 2016. Nicolae Marcu is a graduate of the Carol Davila University of Medicine and Pharmacy in Bucharest, Faculty of Medicine (1996), and since 2000 he has a doctorate in psychiatry . Nicolae Marcu completed a series of postgraduate studies in the field of psychiatry in the country and abroad. Prior to holding the position of member of MedLife’s Board of Directors, Nicolae Marcu was General Director of MedLife between August 2006 and December 2016, and before joining the MedLife team, Nicolae Marcu was a specialist in psychiatry at the Clinical Psychiatry Hospital" Dr. Al Obregia".

Voicu Cheta (1981) - Independent Member of the Board of Directors

Voicu Cheta has been a member of MedLife's Board of Directors since December 2020. He is a lawyer at the Bucharest Bar with over 15 years of legal experience. His specialist practice covers various areas such as high value commercial litigation, commercial arbitration, insolvency and restructuring, labor relations, public procurement, administrative litigation, debt recovery and company law. In the field of legal consultancy and representation before courts and arbitral tribunals, he has acquired an overview and proven skills to approach commercial legal relations in a way that ensures their correlation with the needs of the economic activity.

Ovidiu Fer (1983) - Independent Member of the Board of Directors

Ovidiu Fer has been a member of MedLife's Board of Directors since December 2020. He is a graduate of the Academy of Economic Studies in Bucharest, Faculty of Finance, Insurance, Banks and Stock Exchanges (2006) and holds an MBA from INSEAD (2014). In 2016, Ovidiu Fer founded the Alpha Quest Regional Investment Fund, and since 2018 he is a member of the Advisory Board of the GapMinder VC Fund. Previously, he was a member of the Investment Committee of the IJC Funds (2014-2016) and an external advisor to Elliott Advisors (2013-2014). Also, in the period 2007-2013 he held the position of financial analyst, frontier market expert and manager of Wood & Company Romania, and in the period 2005-2007 he was a financial analyst at KTD Invest.

Audit Committee

The Audit Committee consists of three independent members, as follows:

Name	Position
Ana Maria Mihaescu	Independent Member of the Board of Directors – Chairman of the Audit Committee
Voicu Cheta	Independent Member of the Board of Directors
Ovidiu Fer	Independent Member of the Board of Directors

The Audit Committee has, mainly, the following responsibilities:

- to examine and review the annual financial statements and the profit distribution proposal;
- to carry out annual evaluations of the internal control system;

- to evaluate the efficiency of the internal control system and the risk management system;
- to monitor the application of legal standards and generally accepted internal audit standards;
- to assess conflicts of interest in related party transactions;
- to analyze and review related party transactions that exceed or may be expected to exceed 5% of the company's net assets in the previous financial year;
- to make recommendations to the Board of Directors.

Remuneration Committee

The Remuneration Committee consists of three independent members, as follows:

Name	Position
Voicu Chea	Independent Member of the Board of Directors – Chairman of the Audit Committee
Ana Maria Mihaescu	Independent Member of the Board of Directors
Ovidiu Fer	Independent Member of the Board of Directors

The Remuneration Committee has the following main responsibilities:

- Decisions regarding the remuneration of the members of the Executive Committee and the other non-executive managers of the Company, according to the decision of the Board of Directors. In making such decisions, the Remuneration Committee must take into account the long-term interests of shareholders, investors and other participants in MedLife's business;
- Application of the Decisions of the Board of Directors that fall within the scope of the committee's activity.

The Company's Revised **Remuneration Policy** was approved during the General Meeting of Shareholders on April 27, 2023 and is available on the company's website, in the Investor Relations - Corporate Governance - Corporate Governance Documents section. Also, MedLife prepared the Remuneration Report for the year 2023, according to the provisions of the legislation on the capital markets, a report subject to the consultative vote of the shareholders in the Ordinary General Meeting of Shareholders on April 29, 2024.

Executive Committee

The Executive Committee is led by Mr. Mihail Marcu, President of the Board of Directors and CEO, Mr. Nicolae Marcu, member of the Board of Directors and Director of Health and Operations and Mr. Dorin Preda, member of the Board of Directors and Chief Finance and Treasury. Under the guidance of the key managers mentioned above is a group of executive managers with solid experience within the Group who manage the functions, business lines and central units. These professionals have a significant degree of independence and freedom in implementing budgets established for units and lines of business.

During 2023, the composition of the Executive Committee was as follows:

Name	Position	Appointment Date	Termination Date
Mihail Marcu	CEO	01.04.2017	21.10.2024
Nicolae Marcu	Chief Healthcare and Operations Officer	03.04.2017	21.10.2024
Dorin Preda	Chief Finance and Treasury	03.04.2017	21.10.2024
Alina Irinoiu	CFO	20.09.2022	21.10.2024
Radu Petrescu	Human Resources Director	13.09.2017	21.10.2024
Marius Petrila	IT Director	12.04.2021	21.10.2024
Mariana Brates	Procurement Director	03.04.2017	21.10.2024
Larisa Chirirac	Medical Director	02.05.2018	21.10.2024
Vera Firu	Accounting and Tax Director	03.04.2017	21.10.2024
Mirela Dogaru	Corporate Director	03.04.2017	21.10.2024

Internal Control – Internal Audit function

MedLife has implemented an internal control system applicable to the entire Group. Internal control is an objective and independent assessment activity, with a consultative purpose, carried out in order to supplement the added value and improve the activity within the Group.

Internal control supports the Group in achieving its objectives through a systematic and disciplined approach, the aim of which is to assess and improve the effectiveness of risk management, control systems and general management.

The objectives of the internal control and audit are:

- assessment and evaluation of the accuracy of the tasks performed;
- evaluation of the company's compliance with internal procedures;
- detection of cases of lack of economic spirit, cases of waste, abuses and other irregularities, with the indication of the persons/positions responsible for them;
- presentation to the Board of Directors of objective information from the scope covered by the control, and submission of proposals in order to eliminate the irregularities found and follow up on their realization;
- providing analyses, evaluations and recommendations for the Board of Directors.

The internal control within the Group checks:

- compliance with legislation in force;
- enforcement of the decisions taken by the company's management;
- good functioning of the internal activity;
- efficient use of resources;
- prevention and control of risks that may prevent the achievement of the set objectives;
- ensuring accounting management and financial monitoring of the Group's activities.

Internal control is applicable:

- prior to carrying out the operations, during the preparation of the budget, which allows, after the operations have been carried out, budgetary control;
- during the operations, but also after their completion, in which case the profitability of the operations is analyzed, and the compliance or possible anomalies that must be corrected is ascertained.

8.4 The evolution of shares on the Bucharest Stock Exchange

In December 2016, following the approval by the Financial Supervisory Authority ("FSA") of the prospectus of the initial public offer for the sale of shares (IPO), MedLife was admitted to trading on the main segment, the Premium category, at a final offer price of 26 RON, the company's shares trading under the symbol "M".

MedLife shares' are included in several BVB indices, including the BET index - the reference index of the capital market in Romania, which reflects the evolution of the most traded companies on the BVB regulated market. MedLife shares are also included in indices dedicated to emerging and frontier markets of global index providers FTSE Russell and MSCI, respectively FTSE Global All Cap, MSCI Frontier IMI and MSCI Romania IMI.

During MedLife's Extraordinary General Meeting of Shareholders from August 3, 2023, the increase of the Company's share capital by an amount of 99,652,869 RON was approved through the issuance of a number of 398,611,476 new shares with a nominal value of 0.25 RON/ share. The share capital increase was achieved by incorporating share premium and retained earnings and the newly issued shares were allocated free of charge to the Company's shareholders registered in the shareholders' register held by Depozitarul Central S.A. on September 5, 2023 ("Record Date"). Thus, each shareholder registered in the shareholders' register on the Registration Date received 3 newly issued shares, free of charge, for each share held on the Registration Date. The newly issued shares are dematerialized registered shares, admitted to trading on the Main segment, Premium category of the Bucharest Stock Exchange.

Between January 1 and December 31, 2023, MedLife shares' traded between a minimum price* of 3.98 RON/share and a maximum price* of 5.00 RON/share.

** Prices adjusted as a result of the share capital increase approved during the EGSM of August 3, 2023.*

The total volume traded in 2023 was 38,368,922 shares, with a total value of 174,965,621 RON, representing an average daily turnover of 154,713 shares, respectively 705,507 RON.

As at December 31, 2023, MedLife's capitalization was 2,115,298,233 RON.

MED LIFE GROUP

CONSOLIDATED ADMINISTRATORS' REPORT AS AT 31 DECEMBER 2023

(all amounts are expressed in RON, unless otherwise specified)



Evolution of MedLife share price vs BET index



In order to ensure an efficient level of liquidity for the shares traded on the BSE, starting from 2020, MedLife concluded with S.S.I.F. BRK Financial Group ("Intermediary" or "Market Maker"), a contract regarding the delivery by the Intermediary of Market Maker activity for the **M** shares, on the Regulated Spot Market administered by the BVB, in accordance with the provisions of BVB Regulations. MedLife thus became the first issuer in BET index's composition to conclude a Market Making contract with an intermediary.

The contract was in force throughout 2023, with the aim of maintaining the liquidity of MedLife's shares and ensuring trading at a fair and transparent price.

Buy-back programs

During 2023, two own share buy-back programs were carried out. The buy-back programs were carried out in accordance with the regulations applicable to the share buy-back programs, namely Article 5 of EU Regulation 596/2014 on market abuse and Delegated Regulation (EU) 2016/1052.

Buy-back program approved through EGSM Decision no. 2 from 29 September 2021

On May 2, 2023, MedLife informed investors and shareholders about the completion of the share buy-back program which expired on April 18, 2023 and which was carried out in accordance with EGSM Decision no. 2 of September 29, 2021, which approved the buy-back from the market of a maximum number of 5,470,671 own shares, for a maximum period of 18 months from the date of publication of the decision in the Official Gazette of Romania, at a purchase price between 10 and 30 RON/share.

The buy-back program was started on January 7, 2022, through the Decision of the Board of Directors of January 7, 2022, and unfolded between January 7, 2022 and April 18, 2023, with BT Capital Partners S.A. acting as the Intermediary of the program.

The buy-back program had the following results:

	2023	2022
Number of shares bought-back	23,592	382,134
Average buy-back price (RON/share)	16.9951	20.4961
Total price paid for the repurchased shares (excluding brokerage fees and other acquisition costs)	RON 8,233.188.14	

The purpose of the program was for the buy-back own shares to be offered to former or current members of management, or to former or current employees of some of Med Life S.A.'s subsidiaries, in exchange for the shares held by them in the respective subsidiaries of Med Life S.A..

Buy-back program approved through EGSM Decision no. 1 from 3 August 2023

On 28 September 2023, following the Decision of the Board of Directors from 27 September 2023, MedLife started a buyback program aimed at acquiring a number of its own shares whose total nominal value is equal to a maximum of 10 % of the subscribed share capital of the Company from the date of buyback, for a maximum period of 18 months from the date of publication of the EGSM decision in the Official Gazette of Romania, at a price per share (i) at least equal to the market price of a share on BVB from the moment of making the purchase and (ii) maximum equal to the highest value between the share price of the last independent transaction and the highest share price at that time of the purchase offer on the BVB.

The shares acquired under this buyback program will be offered to employees and members of the Company's management, former or current members of management, or former or current employees of some of the Company's subsidiaries and/or will be offered in exchange for shares held in the Company's subsidiaries by former or current members of management, or former or current employees of some of the Company's subsidiaries.

As of December 31, 2023, the number of shares repurchased under this buyback program was 20,000 shares at an average average buy-back price (RON/share) of 4.3283 (buy-backs performed after bonus issue).

This buyback program is ongoing at the date of this report, with the Company informing investors and shareholders weekly, through BVB and its own website, of its evolution.

8.5 Investor Relations

The Investor Relations Department and the Company's management team constantly participate in a series of events dedicated to Romanian and foreign investors and financial analysts - national and international conferences, individual and group meetings, online or physical format, conference calls, to present the MedLife Group, its operational and financial results, strategy and perspectives.

Each year, MedLife organizes four conference calls to present the Group's financial results: annual, quarterly and half-yearly. The organization of these conference calls is announced through current reports issued and disseminated both through the company's website and at the Bucharest Stock Exchange, and participation can be done by requesting access information. Subsequently, the transcript of these conference calls is available on MedLife's website, in the Investor Relations page, Periodic / Annual Reports section.

During 2023, MedLife's representatives participated in the following conferences organized in physical format, addressed to financial analysts and foreign and Romanian institutional investors:

- Wood Romania Investor Day, London (3 March)
- Wood Frontier Investor Days Conference, Bucharest (7 - 8 September)
- Wood's Winter Wonderland EMEA Conference, Prague (5 December)

Evaluation according to the VEKTOR indicator - Romanian Investor Relations Association ("ARIR")

VEKTOR by ARIR is an indicator that evaluates the efficiency of communication with investors of companies listed on the BVB, an indicator calculated by ARIR according to a methodology developed in collaboration with a number of capital markets professionals, as well as stock market investors. In 2023, for the second year in a row, MedLife obtained the maximum score in this evaluation, i.e. grade 10.

Thus, MedLife ranks among the top companies listed on the BVB that respect the best practices regarding transparency, corporate governance and communication with investors, indicating a constant concern for attracting and retaining shareholders.

9 Risk exposure and Risk management

The Group's Board of Directors has overall responsibility for establishing and overseeing the risk management framework within the Group. The Group's risk management policies are established to identify and analyze the risks faced by the Group, to establish appropriate risk limits and controls, and to monitor risks and compliance with limits. The Audit Committee is responsible for monitoring and addressing issues regarding the effectiveness and efficiency of the Group's internal controls, regulatory compliance and risk management.

In the course of its business, the Group is exposed to a number of financial risks, including credit, interest rate, liquidity and currency risk. The Group's objectives, policies and processes for managing these risks and the methods used to measure the risks are set out below. The central treasury function has an important role in managing the Group's financial risks, with the aim of controlling and managing the Group's financial exposure and financial costs, with a balance between risk and cost.

(a) Credit risk

Financial assets that potentially give rise to concentrations of credit risk consist principally of cash, short-term deposits, trade receivables, long-term receivables from stem cells processing and advances for acquisitions of subsidiaries (in the prior year).

The Group's cash equivalents and short-term deposits are placed with reputable financial institutions with a high credit rating.

Trade receivables are represented net of the allowance for expected credit losses. Credit risk with respect to trade receivables is limited due to the large number of customers comprising the Group's customer base, which consists mainly of both individuals and companies. Around 60% of the total sales are cash-based with remaining being based on issuance of invoices. The financial condition of these customers in relation to their credit standing is evaluated on an ongoing basis.

The Group has also developed certain procedures to assess legal entities as customers prior to signing contracts, aimed at providing health care packages (PPMs), and monitoring their ability to meet the payments during the course of contracts. Also, the Group has established an internal Collection department which actively monitors encashments received from customers.

Other long-term receivables for stem cells processing are represented net of the allowance for expected credit losses. Receivables were individually assessed taking into account specific information available in individual cases in order to measure credit risks. An allowance for expected credit losses was determined for certain customers for which management assessed high credit risk.

Advances for acquisition of subsidiaries are short-term in nature and might occur in certain business combinations between signing and closing, in line with Share Purchase Agreement terms and conditions. Muntenia Medical Competences acquisition was completed in January 2023, while Provita transaction was approved by the Competition Council in March 2023.

The gross carrying amounts of financial assets (before allowances for credit losses) included in the statement of financial position represent the Group's maximum exposure to credit risk in relation to these assets.

The Group has only 27% of its sales during 2023 deriving from the treatment of NHIH insured patients (concentration of credit risk) - reliance on major customers, but in the management's view, the associated credit risk with the receivable balance is considered to be low, based on historical practice and specifics of the contracts.

At 31 December 2023 and 31 December 2022, the Group did not consider that there was a significant concentration of credit risk.

(b) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Group is exposed to interest rate risk because it borrows funds at variable interest rates. The higher risk is represented by funds borrowed in the national currency, as interest rates are periodically repriced based on index variation.

Lease contracts concluded in the national currency are also exposed due to the above repricing process, as the discount rate in this case is linked to the internal borrowing rates for funds withdrawn in the national currency.

Interest rate sensitivity analysis is performed by management using a 10% increase / 10% decrease in interest rates and monitored periodically. This assumption has not changed from previous years and represents management's assessment of the reasonably possible change in interest rates.

(c) Liquidity risk

The ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework to manage the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, continuously monitoring forecasted and actual cash flows and matching maturity profiles of financial assets and liabilities.

(d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency).

The Group is mainly exposed to the exchange rate of the RON against the EURO. The sensitivity analysis is carried out by the management, using a 10% increase / decrease of the RON against the EURO and monitored periodically. This assumption has not changed from previous years and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates.

Litigations

The Group is involved in various disputes as part of the normal course of business. Management has assessed the legal status together with the Group's legal advisors and all necessary adjustments have been recorded in the consolidated financial statements.

10 Corporate Events

10.1 Corporate events in 2023

27 April 2023 Annual General Shareholders Meeting

On March 24, 2023, the Annual General Shareholder Meeting scheduled for April 27/28, 2023 was conveyed. The following main items were submitted to the approval of MedLife shareholders:

- The audited annual financial statements for the year 2022, at individual and consolidated level;
- Discharge of liability for the members of the Board of Directors;
- The income and expenditure budget for the year 2023, at individual and consolidated level;
- Extending the mandate of the financial auditor, for a period of 2 years;
- The Remuneration Report, subject to the consultative vote of the shareholders;
- Remuneration policy of the Company.

All the items on the agenda were approved during the OGSM from April 27, 2023.

3 August 2023 Extraordinary General Shareholders Meeting

On July 3, 2023, the General Meeting of Shareholders for August 3/4, 2023 was conveyed. The following main items were submitted to the approval of MedLife shareholders:

- Increase of the Company's share capital by an amount of RON 99,652,869, from a value of RON 33,217,623 to a value of RON 132,870,492, by issuing a number of 398,611,476 new shares with a nominal value of 0.25 RON/share;
- Amendment of the Company's Articles of Incorporation to reflect the share capital increase.

All the items on the agenda were approved during the EGSM from August 3, 2023.

The share capital increase was executed by incorporating share premium and retained earnings, and the newly issued shares were allocated, free of charge, to the Company's shareholders registered in the shareholders' register held by Depozitarul Central S.A. on September 5, 2023 ("Record Date"). Each shareholder registered in the shareholders' register on the Registration Date received 3 (three) newly issued shares, free of charge, for each share held on the Registration Date. The newly issued shares are registered shares, dematerialized, admitted to trading on the Main segment, Premium category of the Bucharest Stock Exchange.

The share capital increase was made to support the Company's current activity, in line with its growth strategy.

22 December 2023 Extraordinary General Shareholders Meeting

On November 24, 2023, Extraordinary General Shareholders Meeting for December 22/23, 2024 was conveyed. The main item subject to the approval of MedLife shareholders was the increase of the syndicated credit limit by an additional amount of EURO 50 million.

All the items on the agenda were approved during the EGSM from December 22, 2023.

10.2 Subsequent events to the reporting period

On 14 March 2024, the Group increased the existing facilities by EUR 50 million, upon signing an addendum to the existing loan agreement. The syndicate of banks which signed the increase in the syndicated loan consists of Banca Comercială Română, as Coordinating Mandated Lead Arranger, Documentation Agent, Facility Agent, Security Agent and Bookrunner, Raiffeisen Bank, BRD Groupe Société Générale, Banca Transilvania and ING Bank, as Original Lenders. The new funds will be dedicated to consolidating and expanding the Group at national level, through the development of regional hospitals, where the patient will benefit from a 360-degree approach both in terms of the complexity of the medical act and the quality of complementary services. The expansion of the medical infrastructure and the M&A program are also a priority, and moreover, the Group will continue intensely its research efforts, aiming to intensify them through new investments during the year.



**Chairman of the Board of Directors,
Mihail MARCU**

