

MED LIFE S.A.
FIRST SEMESTER REPORT 2019

MED LIFE SA
First Semester Report 2019

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

Name of the issuing company: Med Life S.A.

Registered Office: Bucharest, 365 Calea Griviței, district 1, Romania

Fax no.: 0040 374 180 470

Unique Registration Code at the National Office of Trade Registry: 8422035

Order number on the Trade Registry: J40/3709/1996

Subscribed and paid-in share capital: RON 5,536,270.50

Regulated market on which the issued securities are traded: Bucharest Stock Exchange

CONTENTS:

I. UNAUDITED STANDALONE FINANCIAL STATEMENTS AS AT JUNE 30, 2019 ("STANDALONE FS").....	3
II. FINANCIAL ANALYSIS	6
III. IMPORTANT EVENTS H1 2019	7
IV. MAIN FINANCIAL RATIOS PERIOD ENDED AT JUNE 30, 2019	8
V. EBITDA EVOLUTION	9

Note: The following financial statements are prepared in accordance with international financial reporting standards, as adopted by European Union ("IFRS").

Semester report concluded in compliance with ASF Regulation no. 5/2018 on issuers of financial instruments and capital markets and Law no. 24/2017 on issuers of financial instruments and capital markets.

The following financial statements are unaudited.

MED LIFE SA
First Semester Report 2019

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

I. UNAUDITED STANDALONE FINANCIAL STATEMENTS AS AT JUNE 30, 2019
(“STANDALONE FS”)

UNAUDITED STANDALONE STATEMENT OF FINANCIAL POSITION FOR THE PERIOD ENDED
JUNE 30, 2019 (“STANDALONE BS”)

	<u>June 30,</u> <u>2019</u>	<u>January 1,</u> <u>2019</u>	<u>Variation</u> <u>2019/2018</u>
ASSETS			
Long Term			
Intangible assets	10,058,822	7,701,244	30.6%
Tangible assets	182,961,485	183,020,161	0.0%
Right-of-use asset (IFRS 16)	74,385,991	-	100.0%
Financial assets	<u>165,890,782</u>	<u>147,899,593</u>	<u>12.2%</u>
TOTAL NON-CURRENT ASSETS	<u>433,297,080</u>	<u>338,620,998</u>	<u>28.0%</u>
Current Assets			
Inventories	5,273,789	6,533,910	-19.3%
Receivables	54,054,322	47,146,208	14.7%
Receivables with group companies	78,732,470	74,915,161	5.1%
Other receivables	7,641,159	3,944,995	93.7%
Cash and cash equivalents	<u>19,653,751</u>	<u>21,758,563</u>	<u>-9.7%</u>
	<u>165,355,491</u>	<u>154,298,837</u>	<u>7.2%</u>
Prepayments	<u>2,571,177</u>	<u>2,204,277</u>	<u>16.6%</u>
TOTAL CURRENT ASSETS	<u>167,926,668</u>	<u>156,503,114</u>	<u>7.3%</u>
TOTAL ASSETS	<u>601,223,748</u>	<u>495,124,112</u>	<u>21.4%</u>
LIABILITIES & SHAREHOLDER’S EQUITY			
Current Liabilities			
Trade accounts payable	87,271,867	75,848,191	15.1%
Overdraft	9,470,200	9,327,799	1.5%
Current portion of lease liability	31,402,250	2,252,331	1,294.2%
Current portion of long term debt	18,297,444	14,669,616	24.7%
Intercompany payables	2,652,541	2,754,866	-3.7%
Current tax liabilities	248,285	312,992	-20.7%
Other liabilities	<u>8,920,407</u>	<u>6,388,289</u>	<u>39.6%</u>
TOTAL CURRENT LIABILITIES	<u>158,262,994</u>	<u>111,554,084</u>	<u>41.9%</u>
Long Term Debt			
Lease liability	63,802,744	15,161,217	320.8%
Long term debt	<u>209,852,416</u>	<u>205,624,681</u>	<u>2.1%</u>
TOTAL LONG-TERM LIABILITIES	<u>273,655,160</u>	<u>220,785,898</u>	<u>23.9%</u>
Deferred tax liability	<u>11,022,939</u>	<u>10,785,523</u>	<u>2.2%</u>
TOTAL LIABILITIES	<u>442,941,093</u>	<u>343,125,505</u>	<u>29.1%</u>
SHAREHOLDER’S EQUITY			
Issued capital	81,495,470	81,495,470	0.0%
Treasury shares	(2,834,682)	(6,056,105)	-53.2%
Reserves	73,097,247	73,097,247	0.0%
Retained earnings	<u>6,524,620</u>	<u>3,461,995</u>	<u>88.5%</u>
Equity attributable to owners of the Co	<u>158,282,655</u>	<u>151,998,607</u>	<u>4.1%</u>
TOTAL EQUITY	<u>158,282,655</u>	<u>151,998,607</u>	<u>4.1%</u>
TOTAL LIABILITIES AND EQUITY	<u>601,223,748</u>	<u>495,124,112</u>	<u>21.4%</u>

Mihail Marcu,
CEO

Vera Firu,
Accounting and Tax Manager

MED LIFE SA
First Semester Report 2019

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

UNAUDITED STANDALONE STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED JUNE 30, 2019 ("STANDALONE PL")

	6 Month ended June 30,		Variation
	2019	2018	2019/2018
Sales	224,324,273	210,247,942	6.7%
Other operating revenues	2,246,163	170,974	1,213.7%
Operating Income	226,570,436	210,418,916	7.7%
Operating expenses	(214,863,801)	(202,349,813)	6.2%
Operating Profit	11,706,635	8,069,103	45.1%
Finance cost	(5,789,247)	(5,065,862)	14.3%
Other financial expenses	(2,341,212)	(2,214,974)	5.7%
Financial result	(8,130,459)	(7,280,836)	11.7%
Result Before Taxes	3,576,175	788,267	353.7%
Income tax expense	(513,551)	(972,004)	-47.2%
Net Result	3,062,625	(183,737)	-1,766.8%
Other comprehensive income items that will not be reclassified to profit or loss			
Gain / Loss on revaluation of properties	-	-	0%
Deferred tax on other comprehensive income components	-	-	0%
TOTAL OTHER COMPREHENSIVE INCOME	-	-	0%
TOTAL COMPREHENSIVE INCOME	3,062,625	(183,737)	-1,766.8%

Mihail Marcu,
CEO

Vera Firu,
Accounting and Tax Manager

MED LIFE SA
First Semester Report 2019

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

UNAUDITED STANDALONE STATEMENT OF CASH FLOW FOR THE PERIOD ENDED JUNE 30,
2019 ("STANDALONE CF")

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Net income before taxes	3,576,175	788,267
Adjustments for		
Depreciation	23,142,689	14,169,508
Interest expense	5,789,247	5,065,862
Other non-monetary gains	(2,323,074)	-
Unrealized exchange (gain) / loss on interest bearing obligations	3,393,645	3,090,440
Interest revenue	(1,052,433)	(875,466)
Operating cash flow before working capital changes	32,526,250	22,238,611
Decrease / (increase) in accounts receivable	(10,604,265)	(8,816,097)
Decrease / (increase) in inventories	1,260,121	1,384,211
Decrease / (increase) in prepayments	(366,900)	(635,356)
Increase / (decrease) in accounts payable	3,689,721	1,902,767
Cash used in WC changes	(6,021,323)	(6,164,475)
Cash generated from operations	26,504,927	16,074,136
Income tax paid	(340,842)	(785,869)
Interest received	1,052,433	875,466
Interest paid	(4,720,466)	(4,616,290)
Net cash from operating activities	22,496,052	11,547,443
Purchase of investments	(12,578,169)	(13,283,291)
Purchase of intangible assets	(1,784,480)	(651,408)
Purchase of property, plant and equipment	(7,338,886)	(16,825,034)
Loans granted	(3,817,309)	(36,466,451)
Net cash used in investing activities	(25,518,844)	(67,226,184)
Cash flow from financing activities		
Payment of loans	(7,105,586)	(10,006,575)
Payments of financial leasing	(1,030,356)	(1,166,779)
Increase in loans	11,347,844	18,301,496
Payments for purchase of treasury shares	(2,191,597)	-
Decrease in loans granted to group companies	(102,325)	(130,701)
Net cash from financing activities	917,980	6,997,441
Net change in cash and cash equivalents	(2,104,812)	(48,681,300)
Cash and cash equivalents beginning of the year	21,758,563	70,007,531
Cash and cash equivalents end of the year	19,653,751	21,326,231

Mihail Marcu,
CEO

Vera Firu,
Accounting and Tax Manager

MED LIFE SA
First Semester Report 2019

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

II. FINANCIAL ANALYSIS

ANALYSIS OF THE STANDALONE PL

Sales for the 6 month period ended 30 June 2019 ("H1 2019") amounted to RON 224,324,273, higher by 6.7% compared to sales recorded in the first semester of 2018 ("H1 2018"). This increase was mainly the result of a growth in all of the business lines determined by a mixture of increase in prices and volume.

Other operating revenues recorded an increase in H1 2019 as compared to H1 2018, amounting to RON 2,075,189 as at 30 June 2019.

Operating expenses include variable and fixed costs, as well as the cost of goods and materials used to provide services. Med Life SA recorded operating expenses of RON 214,863,801 in H1 2019, representing an increase of 6.2%, or RON 12,513,988, as compared to H1 2018. The increase is mainly linked to overall business increase.

Operating profit recorded a 45.1% increase in H1 2019 as compared to H1 2018, from RON 8,069,103 in H1 2018 to RON 11,706,635 in H1 2019.

Financial loss increased in H1 2019 by RON 849,623 from a loss of RON 7,280,836 in H1 2018 to a loss of RON 8,130,459 in H1 2019.

Net result increased in H1 2019 by 3,246,362 RON from a loss of RON 183,737 in H1 2018 to a profit of RON 3,062,625 in H1 2019.

ANALYSIS OF THE STANALONE BS

Non-current assets amount to RON 433,297,080 as of 30 June 2019, recording an increase of 28,0% as compared to 31 December 2018. The increase is mainly the result of the registration of the right of use with the adoption of the IFRS 16 Standard.

Current assets increased by RON 11,423,541 or 7.3% from RON 156,503,127 in 31 December 2018 to RON 167,926,668 in 30 June 2019.

Prepayments recorded as at 30 June 2019 amount to RON 2,571,177. As compared to 31 December 2018, an increase of RON 366,900 was recorded. The increase is linked to accrued expenses and prepaid local tax liabilities.

Current liabilities (excluding interest bearing debt items), increased by RON 13,788,762 or 16.2%, from RON 85,304,338 as at 31 December 2018, to RON 99,093,100 as at 30 June 2019.

Interest bearing debt increased by RON 85,789,410, from RON 247,035,644 as of 31 December 2018 to RON 332,825,054 as of 30 June 2019. The increase is mainly due to financing of the main activity of the company.

MED LIFE SA
First Semester Report 2019

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

III. IMPORTANT EVENTS H1 2019

➤ Acquisition of SAMA Craiova and PDR Brasov

Med Life announced in March 2019 the purchase of a new 35% stake from the SAMA group located in Craiova, one of the most important medical operators in the southwest of Romania. In this way, MedLife will be the shareholder with 90% of the shares of the group of companies in Oltenia (from 55% of the initial package).

Also, MedLife acquires an additional 3 percent of the PDR Braşov group (Policlinica de Diagnostic Rapid), one of the most important private operators of medical services in Romania, the company currently having the 83% package (from 80% initial package).

➤ Acquisition of Rózsakert Medical Center (RMC)

Med Life announced in March 2019 the completion of the purchase of the majority stake of 51% of the shares of the group of companies Rózsakert Medical Center, in Hungary.

Rózsakert Medical Center (RMC) is one of the top 10 private healthcare providers in Hungary. The company has a multidisciplinary clinic that includes a compartment equipped with a small surgery room and a dental center. According to company representatives, they exceed the threshold of over 40,000 patients annually. They access a diversified series of outpatient clinical and paraclinical services and investigations, but also a complex range of interventions in day hospitalization, targeting the specialties of ophthalmology, gynecology, proctology, dermatology, plastic surgery and so on.

➤ Acquisition of Badea Medical

Med Life announced in May 2019 the acquisition of the majority package (65%) of the center of excellence Badea Medical (Badea Medical SRL). The center offers a complex range of medical services, mainly focused on the segment of abdominal pathology, but which also covers many other types of conditions.

Patients can access specialized clinical consultations in gastroenterology, internal medicine, dermatology, pain therapy, all provided by an exceptional medical team, coordinated by Prof. Dr. Radu Badea.

IV. MAIN FINANCIAL RATIOS PERIOD ENDED AT JUNE 30, 2019

Current ratio

$$\frac{\text{Current assets}}{\text{Current liabilities}} = \frac{167,926,668}{158,262,993} = 1.06$$

Debt to equity ratio

$$\frac{\text{Long Term Debt}}{\text{Equity}} = \frac{273,665,160}{158,282,656} = 173\%$$

$$\frac{\text{Long Term Debt}}{\text{Capital Assets}} = \frac{273,655,160}{431,937,816} = 63\%$$

Trade receivables turnover (days)

$$\frac{\text{Average receivables}}{\text{Sales}} = \frac{50,600,265}{224,324,273} = 40.60$$

Fixed assets turnover

$$\frac{\text{Sales}}{\text{Net Fixed Assets}} = \frac{224,324,273}{433,297,080} = 0.52$$

MED LIFE SA
First Semester Report 2019

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

V. EBITDA EVOLUTION

	6 Month ended 30 June,		Variation 2019/2018
	2019	2018	
Sales	224,324,273	210,247,942	6.7%
Other operating revenues	2,246,163	170,974	1,213.7%
Operating Income	226,570,436	210,418,916	7.7%
Operating expenses	(214,863,801)	(202,349,813)	6.2%
Operating Profit	11,706,635	8,069,103	45.1%
EBITDA	34,849,324	22,238,611	56.7%
Finance cost	(5,789,247)	(5,065,862)	14.3%
Other financial expenses	(2,341,212)	(2,214,974)	5.7%
Financial result	(8,130,459)	(7,280,836)	11.7%
Result Before Taxes	3,576,175	788,267	353.7%
Income tax expense	(513,551)	(972,004)	-47.2%
Net Result	(3,062,625)	(183,737)	-1,766.9%

Mihail Marcu,
Director general

Vera Firu,
Director Economic

MED LIFE S.A.
STANDALONE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST SEMESTER OF 2019

**PREPARED IN ACCORDANCE WITH INTERNATIONAL
FINANCIAL REPORTING STANDARDS AS ADOPTED BY EUROPEAN UNION**

MED LIFE SA
STANDALONE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST SEMESTER OF 2019

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

Name of the issuing company: Med Life S.A.

Registered Office: Bucharest, 365 Calea Griviței, district 1, Romania

Fax no.: 0040 374 180 470

Unique Registration Code at the National Office of Trade Registry: 8422035

Order number on the Trade Registry: J40/3709/1996

Subscribed and paid-in share capital: RON 5,536,270.50

Regulated market on which the issued securities are traded: Bucharest Stock Exchange

Contents

UNAUDITED STANDALONE INTERIM STATEMENT OF FINANCIAL POSITION	3
UNAUDITED STANDALONE INTERIM STATEMENT OF PROFIT AND LOSS AND OCI	4
UNAUDITED STANDALONE INTERIM STATEMENT OF CASH FLOW	5
UNAUDITED STANDALONE INTERIM STATEMENT OF CHANGES IN EQUITY	6 – 7
NOTES TO THE UNAUDITED STANDALONE INTERIM FINANCIAL STATEMENTS	8 – 25

Note: The following standalone interim financial statements are prepared in accordance with international financial reporting standards, as adopted by European Union ("IFRS").

Semester report concluded in compliance with: Law no. 24/2017 regarding the capital market and CNVM Regulation no. 1/2006 regarding the issuers and the securities operations

The following standalone financial statements are unaudited.

MED LIFE SA
STANDALONE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST SEMESTER OF 2019

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

UNAUDITED STANDALONE INTERIM FINANCIAL STATEMENTS AS AT JUNE 30, 2019

UNAUDITED STANDALONE INTERIM STATEMENT OF FINANCIAL POSITION FOR THE PERIOD ENDED JUNE 30, 2019

	June 30, 2019	January 1, 2019	Variation 2019/2018
ASSETS			
Long Term			
Intangible assets	10,058,822	7,701,244	30.6%
Tangible assets	182,961,485	183,020,161	0.0%
Right-of-use asset (IFRS 16)	74,385,991	-	100.0%
Financial assets	165,890,782	147,899,593	12.2%
TOTAL NON-CURRENT ASSETS	433,297,080	338,620,998	28.0%
Current Assets			
Inventories	5,273,789	6,533,910	-19.3%
Receivables	54,054,322	47,146,208	14.7%
Receivables with group companies	78,732,470	74,915,161	5.1%
Other receivables	7,641,159	3,944,995	93.7%
Cash and cash equivalents	19,653,751	21,758,563	-9.7%
	165,355,491	154,298,837	7.2%
Prepayments	2,571,177	2,204,277	16.6%
TOTAL CURRENT ASSETS	167,926,668	156,503,114	7.3%
TOTAL ASSETS	601,223,748	495,124,112	21.4%
LIABILITIES & SHAREHOLDER'S EQUITY			
Current Liabilities			
Trade accounts payable	87,271,867	75,848,191	15.1%
Overdraft	9,470,200	9,327,799	1.5%
Current portion of lease liability	31,402,250	2,252,331	1,294.2%
Current portion of long term debt	18,297,444	14,669,616	24.7%
Intercompany payables	2,652,541	2,754,866	-3.7%
Current tax liabilities	248,285	312,992	-20.7%
Other liabilities	8,920,407	6,388,289	39.6%
TOTAL CURRENT LIABILITIES	158,262,994	111,554,084	41.9%
Long Term Debt			
Lease liability	63,802,744	15,161,217	320.8%
Long term debt	209,852,416	205,624,681	2.1%
TOTAL LONG-TERM LIABILITIES	273,655,160	220,785,898	23.9%
Deferred tax liability	11,022,939	10,785,523	2.2%
TOTAL LIABILITIES	442,941,093	343,125,505	29.1%
SHAREHOLDER'S EQUITY			
Issued capital	81,495,470	81,495,470	0.0%
Treasury shares	(2,834,682)	(6,056,105)	-53.2%
Reserves	73,097,247	73,097,247	0.0%
Retained earnings	6,524,620	3,461,995	88.5%
Equity attributable to owners of the Co	158,282,655	151,998,607	4.1%
TOTAL EQUITY	158,282,655	151,998,607	4.1%
TOTAL LIABILITIES AND EQUITY	601,223,748	495,124,112	21.4%

Mihail Marcu,
CEO

Vera Firu,
Accounting and Tax Manager

MED LIFE SA
STANDALONE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST SEMESTER OF 2019

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

UNAUDITED STANDALONE INTERIM STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED JUNE 30, 2019

	6 Month ended June 30,		Variation
	2019	2018	2019/2018
Sales	224,324,273	210,247,942	6.7%
Other operating revenues	2,246,163	170,974	1,213.7%
Operating Income	226,570,436	210,418,916	7.7%
Operating expenses	(214,863,801)	(202,349,813)	6.2%
Operating Profit	11,706,635	8,069,103	45.1%
Finance cost	(5,789,247)	(5,065,862)	14.3%
Other financial expenses	(2,341,212)	(2,214,974)	5.7%
Financial result	(8,130,459)	(7,280,836)	11.7%
Result Before Taxes	3,576,175	788,267	353.7%
Income tax expense	(513,551)	(972,004)	-47.2%
Net Result	3,062,625	(183,737)	-1,766.8%
Other comprehensive income items that will not be reclassified to profit or loss			
Gain / Loss on revaluation of properties	-	-	0%
Deferred tax on other comprehensive income components	-	-	0%
TOTAL OTHER COMPREHENSIVE INCOME	-	-	0%
TOTAL COMPREHENSIVE INCOME	3,062,625	(183,737)	-1,766.8%

Mihail Marcu,
CEO

Vera Firu,
Accounting and Tax Manager

MED LIFE SA
STANDALONE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST SEMESTER OF 2019

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

UNAUDITED STANDALONE INTERIM STATEMENT OF CASH FLOW FOR THE PERIOD ENDED JUNE 30, 2019

	June 30, 2019	June 30, 2018
Net income before taxes	3,576,175	788,267
Adjustments for		
Depreciation	23,142,689	14,169,508
Interest expense	5,789,247	5,065,862
Other non-monetary gains	(2,323,074)	-
Unrealized exchange gain / loss on interest bearing obligations	3,393,645	3,090,440
Interest revenue	(1,052,433)	(875,466)
Operating cash flow before working capital changes	32,526,250	22,238,611
Decrease / (increase) in accounts receivable	(10,604,265)	(8,816,097)
Decrease / (increase) in inventories	1,260,121	1,384,211
Decrease / (increase) in prepayments	(366,900)	(635,356)
Increase / (decrease) in accounts payable	3,689,721	1,902,754
Cash generated from WC changes	(6,021,323)	(6,164,488)
Cash generated from operations	26,504,927	16,074,136
Income tax paid	(340,842)	(785,869)
Interest received	1,052,433	875,466
Interest paid	(4,720,466)	(4,616,290)
Net cash from operating activities	22,496,052	11,547,430
Purchase of investments	(12,578,169)	(13,283,291)
Purchase of intangible assets	(1,784,480)	(651,408)
Purchase of property, plant and equipment	(7,338,886)	(16,825,034)
Loans granted	(3,817,309)	(36,466,451)
Net cash used in investing activities	(25,518,844)	(67,226,184)
Cash flow from financing activities		
Payment of loans	(7,105,586)	(10,006,575)
Payments of financial leasing	(1,030,356)	(1,166,779)
Increase in loans	11,347,844	18,301,496
Acquisition of own shares	(2,191,597)	-
Decrease in loans granted to group companies	(102,325)	(130,701)
Net cash from financing activities	917,980	6,997,441
Net change in cash and cash equivalents	(2,104,812)	(48,681,300)
Cash and cash equivalents beginning of the year	21,758,563	70,007,531
Cash and cash equivalents end of the year	19,653,751	21,326,231

Mihail Marcu,
CEO

Vera Firu,
Accounting and Tax Manager

MED LIFE SA
STANDALONE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST SEMESTER OF 2019

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

UNAUDITED STANDALONE INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2019

	Share Capital	Own shares	Share premium	General reserves and other reserves	Revaluation Reserve	Accumulated Results	Total Equity
Balance as at January 1, 2019	5,536,271	(6,056,105)	75,959,199	10,072,949	63,024,298	3,461,995	151,998,607
Variation of own shares		3,221,423				-	3,221,423
Share capital contribution	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	3,062,625	3,062,625
Gain or loss from revaluation	-	-	-	-	-	-	-
Deferred tax related to other comprehensive income	-	-	-	-	-	-	-
Profit of the year	-	-	-	-	-	3,062,625	3,062,625
Balance as at June 30, 2019	5,536,271	(2,834,682)	75,959,199	10,072,949	63,024,298	6,528,620	158,282,655

Mihail Marcu,
CEO

Vera Firu,
Accounting and Tax Manager

MED LIFE SA
STANDALONE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST SEMESTER OF 2019

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

UNAUDITED STANDALONE INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2018

	Share Capital		Share premium	General reserves and other reserves	Revaluation Reserve*	Accumulated Results	Total Equity
	Paid, registered	Paid, registered after year end**					
Balance as at January 1, 2018	5,023,000	513,271	75,959,199	9,684,470	63,024,298	(259,965)	153,944,273
Share capital contribution	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	(183,737)	(183,737)
Gain or loss from revaluation	-	-	-	-	-	-	-
Deferred tax related to other comprehensive income	-	-	-	-	-	-	-
Loss of the year	-	-	-	-	-	(183,737)	(183,737)
Balance as at June 30, 2018	5,023,000	513,271	75,959,199	9,684,470	63,024,298	(443,702)	153,760,536

Note*: The closing balance of the revaluation reserve as of December 31, 2018 in amount of RON 63,024,298 comprises revaluation reserve in amount of RON 75,068,354 and deferred tax computed on revaluation reserve in amount of RON (12,044,056).

Note**: In 2017, as a result of a Second Public Offering, Med Life S.A. issued 2,053,082 new shares with a nominal value of RON 0.25 per share, increasing the share capital from RON 5,023,000 to RON 5,536,271. The subscribers of the share increase will benefit from full rights related to the acquired shares starting from the date of the registration by the Central Depository. The shares were subscribed and paid in 2017. The Central Depository registered the newly subscribed shares on January 11, 2018.

Mihail Marcu,
 CEO

Vera Firu,
 Accounting and Tax Manager

MED LIFE SA
STANDALONE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST SEMESTER OF 2019

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

NOTES TO THE UNAUDITED INTERIM STANDALONE FINANCIAL STATEMENTS

1. DESCRIPTION OF THE BUSINESS

Med Life S.A. ("Med Life" or the "Company") is a joint-stock company incorporated in 1996, in accordance with the laws and regulations of Romania. The Company's activity resides in the performance of healthcare services activities through medical centers located in Bucharest, Brasov, Cluj, Timisoara, Iasi, Galati, Constanta and Braila.

Med Life is one of the leading health care services providers in Romania, having a significant market share at a national level. The registered office of Med Life is located in Bucharest, Calea Grivitei, no. 365.

Details of Med Life SA's subsidiaries at June 30, 2019 and January 1, 2019 are as follows:

	Name of subsidiary	Principal Activity	Place of operation	June 30, 2019	January 1, 2019
1	Policlinica de Diagnostic Rapid SA	Medical Services	Brasov, Romania	83.01%	80.01%
2	Medapt SRL	Medical Services	Brasov, Romania	83.01%	80.01%
3	Histo SRL	Medical Services	Brasov, Romania	49.81%	48.01%
4	Policlinica de Diagnostic Rapid Medis SRL	Medical Services	Sfantu Gheorge, Romania	66.41%	64.01%
5	Bahtco Invest SA	Development of building projects	Bucharest, Romania	100%	100%
6	Medsanrom SRL (Med Life Occupational SRL)	Medical Services	Bucharest, Romania	100%	100%
7	Pharmalife Med SRL	Distribution of Pharmaceutical Products in specialised stores	Bucharest, Romania	100%	100%
8	Asilife Insurance Broker SRL	Insurance broker	Bucharest, Romania	99%	99%
9	Accipiens	Rental activities	Bucharest, Romania	58%	58%
10	Genesys SRL	Medical services	Bucharest, Romania	58%	58%
11	Biofarm Farmec SRL	Distribution of Pharmaceutical Products in specialised stores	Bucharest, Romania	58%	58%
12	RUR Medical Services	Medical services	Bucharest, Romania	100%	100%
13	Biotest Med	Medical services	Bucharest, Romania	100%	100%
14	Vital Test	Medical services	Bucharest, Romania	100%	100%
15	Bactro SRL (indirectly)	Other healthcare services	Deva, Romania	58%	58%
16	Centrul Medical Sama S.A.	Medical Services	Craiova, Romania	90%	55%
17	Ultratest S.A.	Other healthcare services	Craiova, Romania	76%	55%
18	Diamed Center SRL	Medical Services	Bucharest, Romania	100%	100%
19	Prima Medical SRL	Medical Services	Craiova, Romania	100%	100%
20	Stem Cells Bank SA	Medical Services	Timisoara, Romania	100%	100%
21	Dent Estet Clinic SA	Dental healthcare activities	Bucharest, Romania	60%	60%
22	Centrul Medical Panduri	Medical Services	Bucharest, Romania	90%	90%
23	Almina Trading SA	Medical services	Targoviste, Romania	80%	80%
24	Anima Specialty Medical Services SRL	Medical services	Bucharest, Romania	100%	100%
25	Anima Promovare si Vanzari SRL	Medical services	Bucharest, Romania	100%	100%
26	Valdi Medica SRL	Medical services	Cluj, Romania	55%	55%

MED LIFE SA
STANDALONE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST SEMESTER OF 2019

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

27	Clinica Polissano SRL	Medical services	Sibiu, Romania	100%	0%
28	Solomed Clinic SA	Medical services	Pitesti, Romania	80%	80%
30	Ghencea Medical Center SA	Medical services	Bucharest, Romania	90%	90%
31	RMC Property Kft.	SPV	Budapest, Hungary	51%	0%
32	Badea Medical	Medical services	Cluj, Romania	65%	0%

Dent Estet Clinic SA, Solomed Clinic SRL and Rózsakert Medical Center also own the following companies as described below:

	Name of subsidiary	Principal Activity	Place of operation	June 30, 2019	January 1, 2019
1	Green Dental Clinic SRL	Dental healthcare activities	Bucharest, Romania	51%	51%
2	Dentist 4 Kids SRL	Dental healthcare activities	Bucharest, Romania	52%	52%
3	Dent A Porter SRL	Dental healthcare activities	Bucharest, Romania	51.61%	51.61%
4	Dentestet Kids	Dental healthcare activities	Bucharest, Romania	52.94%	52.94%
5	Aspen Laborator Dentar	Dental healthcare activities	Bucharest, Romania	75%	75%
6	Solomed Plus SRL (held by Solomed Clinic SA)	Medical services	Pitesti, Romania	100%	0%
7	RMC DentArt	Dental healthcare activities	Budapest, Hungary	100%	0%
8	RMC Medical	Medical services	Budapest, Hungary	100%	0%

MED LIFE SA
STANDALONE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST SEMESTER OF 2019

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

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

2.1 Initial application of new amendments to the existing standards and interpretation effective for the current reporting period

The following standards, amendments to the existing standards and new interpretations issued by the International Accounting Standards Board (IASB) and adopted by the EU are effective for the current period:

- **IFRS 15 "Revenue from Contracts with Customers"** and amendments to IFRS 15 "Effective date of IFRS 15" - adopted by the EU on 22 September 2016 (effective for annual periods beginning on or after 1 January 2018),
- **Amendments to IFRS 2 "Share-based Payment"** - Classification and Measurement of Share-based Payment Transactions (effective for annual periods beginning on or after 1 January 2018),
- **Amendments to IFRS 4 "Insurance Contracts"** - Applying IFRS 4 Insurance Contracts – adopted by the EU on 3 November 2017 (effective for annual periods beginning on or after 1 January 2018 or when IFRS 9 "Financial Instruments" is applied first time),
- **Amendments to IFRS 15 "Revenue from Contracts with Customers"** - Clarifications to IFRS 15 Revenue from Contracts with Customers – adopted by the EU on 31 October 2017 (effective for annual periods beginning on or after 1 January 2018)
- **Amendments to IAS 40 "Investment Property"** - Transfers of Investment Property (effective for annual periods beginning on or after 1 January 2018),
- **Amendments to IFRS 1 and IAS 28 due to "Improvements to IFRSs (cycle 2014-2016)"** resulting from the annual improvement project of IFRS (IFRS 1, IFRS 12 and IAS 28) primarily with a view to removing inconsistencies and clarifying wording – adopted by the EU on 7 February 2018 (amendments to IFRS 1 and IAS 28 are to be applied for annual periods beginning on or after 1 January 2018).
- **IFRIC 22 "Foreign Currency Transactions and Advance Consideration"** (effective for annual periods beginning on or after 1 January 2018).

On June 30, 2019, the Company did not adopt these new standards and amendments to existing standards. The Company anticipates that the adoption of these standards and amendments to existing standards will have no material impact on the financial statements of the Company in the period of initial application.

2.2 Amendments to the existing standards issued by IASB and adopted by the EU, but not yet adopted by the Company

At the date of authorization of these financial statements, the following new standards issued by IASB and adopted by the EU are not yet effective:

- **IFRIC 23 "Uncertainty over Income Tax Treatments"** (effective for annual periods beginning on or after 1 January 2019).

On June 30, 2019, the Company did not adopt these new standards and amendments to existing standards, but plans to adopt them starting with 31 December 2019. The Company anticipates that the adoption of these standards and amendments to existing standards will have no material impact on the financial statements of the Company in the period of initial application.

MED LIFE SA
STANDALONE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST SEMESTER OF 2019

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

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (continued)

2.3 New standards and amendments to the existing standards issued by IASB but not yet adopted by the EU

At present, IFRS as adopted by the EU do not significantly differ from regulations adopted by the International Accounting Standards Board (IASB) except for the following new standards and amendments to the existing standards, which were not endorsed for use in EU as at the date of publication of financial statements (the effective dates stated below is for IFRS in full):

- **IFRS 14 "Regulatory Deferral Accounts"** (effective for annual periods beginning on or after 1 January 2016) - the European Commission has decided not to launch the endorsement process of this interim standard and to wait for the final standard,
- **IFRS 17 "Insurance Contracts"** (effective for annual periods beginning on or after 1 January 2021),
- **IAS 28 "Investments in Associates and Joint Ventures"** - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture and further amendments (effective date deferred indefinitely until the research project on the equity method has been concluded),
- **Amendments to IAS 1 "Presentation of Financial Statements" and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"** - Definition of materiality (applicable for annual periods beginning on or after January 1, 2020);
- **Amendments to IAS 19 "Employee Benefits"** - Plan Amendment, Curtailment or Settlement (effective for annual periods beginning on or after 1 January 2019),
- **Amendments to IAS 28 "Investments in Associates and Joint Ventures"** - Long-term Interests in Associates and Joint Ventures (effective for annual periods beginning on or after 1 January 2019),
- **Amendments to various standards due to "Improvements to IFRSs (cycle 2015-2017)"** resulting from the annual improvement project of IFRS (IFRS 3, IFRS 11, IAS 12 and IAS 23) primarily with a view to removing inconsistencies and clarifying wording (effective for annual periods beginning on or after 1 January 2019),
- **Amendments to the References to the Conceptual Framework of IFRS** (applicable for annual periods beginning on or after January 1, 2020).

The Company anticipates that the adoption of these new standards and amendments to the existing standards will have no material impact on the financial statements of the Company in the period of initial application.

According to the Company's estimates, the application of hedge accounting to a portfolio of financial assets or liabilities pursuant to IAS 39: "Financial Instruments: Recognition and Measurement" would not significantly impact the financial statements, if applied as at the balance sheet date.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these standalone interim financial statements of the Company are set out below.

3.1 Statement of compliance

The unaudited standalone interim financial statements have been prepared in accordance with International Accounting Standards for Financial Reporting ("IFRSs") as adopted by the European Union ("EU"), with the exception of the standards and amendments specified in paragraph 2.2, issued by the IASB and adopted by the European Union ("EU"), which entered into force for the current period, but will

MED LIFE SA
STANDALONE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST SEMESTER OF 2019

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Statement of compliance (continued)

apply for the first time from 31 December 2019.

Additionally, the unaudited standalone interim financial statements have been prepared in accordance with Order 2844/2016 for the approval of accounting regulations conforming with International Financial Reporting Standards as adopted by EU with subsequent amendments.

3.2 Basis of preparation

The unaudited standalone interim financial statements have been prepared on the historical cost basis except for the revaluation of certain non-current assets and financial instruments. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

These unaudited standalone interim financial statements have been prepared to serve the Company as statutory financial statements.

The Company maintains its accounting records in Romanian Lei ("RON") and prepares its statutory financial statements in accordance with the Regulations on Accounting and Reporting issued by the Ministry of Finance in Romania. The accompanying financial statements are based on the statutory records of the Company and have been adjusted to present the financial statements in accordance with IFRS.

3.3 Going concern

These unaudited standalone interim financial statements have been prepared on a going concern basis, which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The Company will continue its activity according to the normal course of business in the foreseeable future without encountering the impossibility of continuing its activity or without the significant decrease of its activity.

3.4 Accounting estimates and judgments

The preparation of the unaudited standalone interim financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities as of the date of the balance sheet and revenue and expenses for the period. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

3.5 Foreign currency translation

Functional and presentation currency

These unaudited standalone interim financial statements are presented in Romanian Leu ("RON"), which is the currency of the primary economic environment in which the Company operates (its "functional currency").

As at June 30, 2019 the exchange rate was of RON 4.1587 for 1 USD and of RON 4.7351 for 1 EUR. As at December 31, 2018 the exchange rate was of RON 4.0033 for 1 USD and of RON 4.6611 for 1 EUR. The average exchange rate for first semester of 2019 was of RON 4.1967 for 1 USD (first semester of 2018: 3.8441 for 1 USD) and RON 4.7419 for 1 EUR (first semester of 2018: RON 4.6537 for 1 EUR).

The monetary assets and liabilities in foreign currency as of reporting date have been converted from EUR to RON at the closing exchange rate as announced by the National Bank of Romania.

MED LIFE SA
STANDALONE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST SEMESTER OF 2019

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Comparative information

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

3.7 Investments in other companies

Med Life has significant investments in other companies. The investments are presented at cost less impairment. Management conducts annual testing or whenever there is an indication of impairment to assess whether any impairment losses should be recognized.

3.8 Property, plant and equipment

Land and buildings held for use in the supply of services, or for administrative purposes, are stated in the balance sheet at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The value of land and buildings owned presented in these financial statements is based on the valuation reports which were performed as of December 31, 2016 by independent valutors certified by ANEVAR. The revaluation is performed with sufficient regularity as to ensure that the Company presents land and buildings at fair value in the financial statements. As of December 31, 2017, the Company performed the revaluation of the main building in order to identify whether there have been significant changes in fair value. Considering that the resulted fair value was not significantly different compared to the carrying value, the revaluation exercise was not extended to all the relevant assets and no revaluation was recorded as of December 31, 2017.

Repairs and maintenance are charged to the statement of income during the financial period in which they incur. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company. Major renovations are depreciated over the remaining useful life of the related asset. Freehold land is not depreciated.

Fixtures and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on the amounts of property, plant and equipment on a straight-line basis down to the assets' estimated residual values. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The following useful lives are used in the calculation of depreciation:

	<u>Years</u>
Buildings	10 – 50 years
Plant and equipment	3 – 15 years
Fixtures and fittings	3 – 15 years

3.9 Assets held under finance leases

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

3.10 Intangible assets

Intangible assets acquired are reported at cost less accumulated amortization and accumulated impairment losses. Amortization is charged on a straight-line basis over their estimated useful lives.

MED LIFE SA
STANDALONE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST SEMESTER OF 2019

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Intangible assets (continued)

The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

The Company's intangible assets are represented by software licenses which are amortized straight-line over a period of three years.

De-recognition of intangible assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in profit or loss when the asset is derecognized.

Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.11 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost of inventories comprises of all the costs incurred in bringing the inventories to their present location and condition, being valued on a first in first out basis. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. The Company applies FIFO as a costing method.

MED LIFE SA
STANDALONE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST SEMESTER OF 2019

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 Trade receivables

Receivables are stated in the balance sheet at anticipated realizable value. An allowance for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the collection terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the allowance is determined based on Management risk assessment of the trade receivables collectability.

3.13 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand, cash held at call with banks with original maturities of three months or less.

3.14 Financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are initially recognized at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction cost. Fair value is the amount for which a financial instrument could be exchanged between knowledgeable and willing parties in an arm's length transaction.

3.15 Accounts payable

Liabilities for trade payables are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

3.16 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognized as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss. Contingent rentals are recognized as expenses in the periods in which they are incurred.

Operating lease payments are recognized as an expense on a straight-line basis over the lease term. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

3.17 Borrowing costs

All loans and borrowings are initially recognized at the fair value of the consideration received less directly attributable transaction costs. The transaction costs incurred in issuing the liability are amortized over the life of the loan.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method; any difference between fair value of the proceeds (net of transaction costs) and the redemption amount is recognized as interest expense over the period of the borrowings.

MED LIFE SA
STANDALONE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST SEMESTER OF 2019

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the combined income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax are recognized as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognized directly in equity, in which case the tax is also recognized directly in equity.

3.19 Share capital

Ordinary shares are classified as equity. Dividends on ordinary shares are recognized in equity in the period in which they are declared.

3.20 Share premiums

Share premiums are own funds created as a result of the difference between the issue value of the shares and the nominal value of the shares. The Company recorded share premiums as a result of the issue of shares.

3.21 Revaluation reserve

The increases in the fair value of land and buildings are recorded against revaluation reserves. Any decreases in the fair value of land and buildings are first deducted from the revaluation reserves and then the difference is recorded through profit and loss accounts. The revaluation is performed with sufficient regularity as to ensure that the Company presents land and buildings at fair value in the financial statements.

MED LIFE SA
STANDALONE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST SEMESTER OF 2019

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.22 Provisions for risks and charges

Provisions are recognized when the Company has a legal or constructive obligation, as a result of a past event and it is probable that there will be a future outflow of resources in order to extinguish this liability. Provisions for risks and charges are assessed at the end of each period and adjusted in order to present management's best estimate.

3.23 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Rendering of services

Sales of services are recognized in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided. The Company does not operate any customer loyalty program.

The Company is rendering health care medical services to corporate and retail customers. Corporate customers revenues are recognized based on monthly prevention packages at the end of the month at the level of the agreed value for the each prevention package. Revenues for retail customers are recognized when the services are actually rendered.

Interest revenues

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

3.24 Employee benefits

The Company, in the normal course of business, makes payments to the Romanian State on behalf of its employees for pensions, health care and unemployment cover. The cost of these payments is charged to the income statement in the same period as the related salary cost.

All employees of the Company are members of the Romanian State pension plan. The Company does not operate any other pension scheme.

3.25 Related parties

The relationships between the entities and the company are special when one of the parties has the ability to directly control or significantly influence the other party, by using ownership, contractual rights, family relationships or any other means.

Related parties also include individuals which are principal owners, management or members of the Company's Board of Directors, as well as the members of their families.

These financial statements have been prepared based on the fact that the parties have entered into arm's length transactions with the entities within the Company and according to objectively established prices.

3.26 Fair value

As described above, certain accounting policies of the Company and information presentation criteria require determination of the fair value both for the assets and the liabilities of the Company. In determining the fair value of assets and liabilities, the Company uses as much as possible observable market values. Fair values are classified on various levels based on inputs used in valuation techniques, as follows:

- Level 1: (unadjusted) quoted prices on active markets for identical assets and liabilities
- Level 2: inputs, other than the prices included in level 1, which are observable for assets and liabilities, either directly (e.g.: prices) or indirectly (e.g.: derived from prices)
- Level 3: inputs for evaluation of assets and liabilities which are not based on observable market data.

MED LIFE SA
STANDALONE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST SEMESTER OF 2019

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.26 Fair value (continued)

The fair values were assessed for evaluation or presentation of information based on the methods and techniques described below.

Fair value was assessed for land and buildings owned as of December 31, 2016 based on evaluators reports. The fair value of land was established based on market value approach. The fair value for buildings was established based on cost of replacement approach.

3.27 IAS 29

Med Life SA was created in 1996. The development of the Company was continuous throughout the years. The significant additions to non-current assets and the material share capital subscriptions and the share premiums were recorded after Romania stopped being considered a hyperinflationary economy. As such, no inflation adjustments have been applied to equity and the Company did not have to apply IAS 29 requirements.

3.28 IFRS 8

IFRS 8 disclosures are meant to enable users of financial statements to evaluate the nature and financial effects of the business activities in which it engages and the economic environments in which it operates.

An operating segment is a component of an entity:

- (a) that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity),
- (b) whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and
- (c) for which discrete financial information is available.

Med Life considers that all the business activities from which it earns revenues are intertwined and that the main business activity represents one segment- the rendering of medical services.

3.29 IFRS 16 „Leases“

Starting with January 1st 2019, the Company has applied the new standard IFRS 16 „Leases“. IFRS 16 is effective for annual periods beginning on or after January, 1st 2019. IFRS 16 replaces existing leases guidance, including IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases – Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The Company has performed a detailed assessment of the impact resulting from the application of IFRS 16. Recognition of a right to use as an asset and a lease liability for existing contracts as of June 30, 2019 will result in an increase in the value of tangible assets and debts of approximately 74 million Ron on 1 July 2019. On the income side, the company reported depreciation expenses and interest expenses instead of rent expenses. This led to an increase in the operating result which was offset by higher interest expense and amortization.

3.30 Subsequent events

The effect of significant subsequent events, after the reporting period, which supplies additional information regarding the financial position of the Company and require adjustments are reflected in the balance sheet or profit and loss, if the case. The significant events that do not require adjustments are disclosed in the notes of the separate financial statements.

MED LIFE SA
STANDALONE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST SEMESTER OF 2019

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

4. FINANCIAL ASSETS

The company has significant investments in other companies.

Carrying amount	30 June 2019	1 January 2019
Cost of investments in other companies	152,620,448	135,043,779
Long-term loans granted to group companies	11,825,056	11,191,914
Other financial assets	1,445,278	1,663,900
TOTAL	165,890,782	147,899,593

Investments in other companies

Investments in other companies represent 25% of the total assets of the Company.

Movement in cost of investments

	30 June 2019	1 January 2019
Balance at the beginning of the year	135,043,779	120,447,736
Acquisition of social parts in other companies	17,576,669	14,596,043
Disposal of subsidiaries	-	-
Balance at year end	152,620,448	135,043,779

In 2019, the Company signed the Sales Purchase Agreement for the acquisition of shares in the following companies:

- 35% of share capital of SAMA;
- 3% of share capital of PDR Braşov (Policlinica de Diagnostic Rapid);
- 51% of share capital of RMC Property Kft.;
- 90% of share capital of Badea Medical.

Acquisition SAMA Craiova and PDR Brasov

Med Life announced in March 2019 the purchase of a new 35% stake from the SAMA group located in Craiova, one of the most important medical operators in the southwest of Romania. In this way, MedLife will be the shareholder with 90% of the shares of the group of companies in Oltenia (from 55% of the initial package).

Also, MedLife acquires an additional 3 percent of the PDR Braşov group (Policlinica de Diagnostic Rapid), one of the most important private operators of medical services in Romania, the company currently having the 83% package (from 80% initial package)

Achiziție Rózsakert Medical Center (RMC)

Med Life announced in March 2019 the completion of the purchase of the majority stake of 51% of the shares of the group of companies Rózsakert Medical Center, in Hungary.

Rózsakert Medical Center (RMC) is one of the top 10 private healthcare providers in Hungary. The company has a multidisciplinary clinic that includes a compartment equipped with a small surgery room and a dental center. According to company representatives, they exceed the threshold of over 40,000 patients annually. They access a diversified series of outpatient clinical and paraclinical services and investigations, but also a complex range of interventions in day hospitalization, targeting the specialties of ophthalmology, gynecology, proctology, dermatology, plastic surgery and so on.

MED LIFE SA
STANDALONE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST SEMESTER OF 2019

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

4. FINANCIAL ASSETS (continued)

Achiziție Badea Medical

Med Life announced in May 2019 the acquisition of the majority package (65%) of the center of excellence Badea Medical (Badea Medical SRL). The center offers a complex range of medical services, mainly focused on the segment of abdominal pathology, but which also covers many other types of conditions.

Patients can access specialized clinical consultations in gastroenterology, internal medicine, dermatology, pain therapy, all provided by an exceptional medical team, coordinated by Prof. Dr. Radu Badea.

Management conducts impairment tests on an annual basis or whenever there is an indication of impairment to assess the recoverability of the carrying value of investments at individual level. This is performed using discounted cash flow models.

There are a number of key sensitive judgements made in determining the inputs into these models which include:

- Revenue growth
- Operating margins and
- The discount rates applied to the projected future cash flows.

Management have engaged specialists to assist with the determination of the discount rates for the significant Cash Generating Units to which the cost of investment relates. Following the management's assessment, it was found that there were no indications of impairment on 30 June 2018 and, consequently, the depreciation test was not carried out.

Long-term loans granted to other companies

As of June 30, 2019, the Company presents long-term loans granted to Bahtco Invest SA and Med Life Ocupational SRL of RON 11,825,056 (January 1, 2019: RON 11,191,914).

Other financial assets

Other financial assets represent mainly rent deposits with a maturity longer than one year.

5. TANGIBLE AND INTANGIBLES FIXED ASSETS

	30 June 2019	1 January 2019
Gross book value	371,775,218	358,466,015
Accumulated depreciation	(178,754,911)	(167,744,610)
Net book value	193,020,307	190,721,405

6. INVENTORIES

	30 June 2019	1 January 2019
Consumable	5,219,531	6,513,579
Other inventory items	53,753	18,892
Inventory in transit	505	1,439
TOTAL	5,273,789	6,533,910

7. ACCOUNTS RECEIVABLE

	30 June 2019	1 January 2019
Customers	66,962,465	60,587,456
Advances to suppliers	3,288,507	2,755,402
Allowance for bad debt	(16,196,650)	(16,196,650)
TOTAL	54,054,322	47,146,208

MED LIFE SA
STANDALONE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST SEMESTER OF 2019

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

7. ACCOUNTS RECEIVABLE (continued)

Trade receivables as of June 30, 2019 and as of December 31, 2018 include a receivable of RON 7,365,835 representing amounts to be collected from the National Health House of Bucharest not yet invoiced. The Company started legal actions against the National Health House of Bucharest. The management is confident that the receivable may be eventually recovered, but given the adverse court decisions in similar cases, the Company decided to record a 100% allowance starting with 31 December 2016.

As of June 30, 2019, the Management of the Company performed an assessment regarding the collectability of receivables - a total allowance of RON 16,196,650 (which includes the amount of RON 7,365,835 in relation to the National Health House described above) represents management's best estimate regarding the receivables that are not to be collected. The assessment takes into consideration the collection pattern of the receivables over the last two years. The Company monitors the credit quality of its customers on an ongoing basis. Credit risk is spread over a large customer base and the Company is not dependent on the collection of receivables from a limited number of customers.

Trade receivables disclosed above are classified as receivables and are therefore measured at amortized cost. The average credit period on collection for services rendered is 90 days. No interest is charged on trade receivables for the first 90 days from the date of the invoice.

8. CASH AND BANKS

	30 June 2019	1 January 2019
Cash in bank	17,452,130	19,397,886
Cash in hand	1,139,718	1,032,328
Cash equivalents	1,061,903	1,328,349
TOTAL	19,653,751	21,758,563

9. PREPAYMENTS

As of June 30, 2019 the Company has prepayments in amount of RON 2,571,177 (RON 2,204,277 as of December 31, 2018). The prepayments balance as of June 30, 2019 consists mainly of deferred commissions for financing related to the Club loan and the IFC loan and amounts related to rent paid in advance for rented properties and other amounts such as insurance policies for professionals and tangible assets.

10. ACCOUNTS PAYABLE

	30 June 2019	1 January 2019
Suppliers	76,336,391	66,821,334
Fixed assets suppliers	6,857,312	7,810,360
Advances paid by customers	4,078,164	1,216,497
TOTAL	87,271,867	75,848,191

The balance of the suppliers account consists of debts for the acquisition of reagents, laboratory equipment, office equipment, stationery, cleaning products and food.

11. OTHER SHORT TERM LIABILITIES

	30 June 2019	1 January 2019
Salary and related liabilities (incl. contributions)	7,355,513	5,937,202
Other liabilities	1,564,894	451,087
TOTAL	8,920,407	6,388,289

MED LIFE SA
STANDALONE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST SEMESTER OF 2019

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

12. LEASING LIABILITIES

	30 June 2019	1 January 2019
Current term portion – Leasing	63,802,744	15,161,217
Non-current portion – Leasing	31,402,250	2,252,331
TOTAL	95,204,994	17,413,548

13. FINANCIAL DEBT

	30 June 2019	1 January 2019
Current portion of long-term loans	18,297,444	14,669,616
Non-current portion of long-term loans	209,852,416	205,624,681
TOTAL	228,149,860	220,294,297

(a) In 2010, the Med Life SA concluded a second loan agreement with IFC with a total value of EUR 10,000,000 (Loan A) and then, in 2011 Med Life and co-borrowers (Accipiens SA, Bahtco Invest SA and Policlinica de Diagnostic Rapid SA) signed an Amended and Restated Loan Agreement with IFC and Erste and additional funding of EUR 40,000,000 (Loan B) was obtained.

In August 2014, the Group signed a refinancing agreement with BCR for the total amount of EUR 30,398,901 representing EUR 28,298,901 of the Amended and Restated Loan Agreement with IFC and an additional EUR 2,100,000 representing the amount of the initial B loan available as of the dated of this agreement. As of June 30, 2018 the outstanding balance is RON 11,097,859 the equivalent of EUR 2,380,953.

On September 30, 2016, Med Life (together with the co-borrowers- Policlinica de Diagnostic Rapid SA, Bahtco Invest SA and Accipiens SA) signed a new loan agreement with IFC in amount of EUR 10,000,000. The purpose of the facility is to refinance part of the club loan agreement mentioned above related to the financing of acquisitions of shares in new companies. As well, through signing this new agreement with IFC, the Group refinanced the existing contract with IFC.

According to the new loan agreement, the outstanding balance will be repaid through 12 consecutive installments of EUR 238,095 starting November 15, 2017.

As of December 31, 2017, the outstanding balance related to the new facility obtained from IFC is RON 42,713,917, the equivalent of EUR 9,166,667. As of June 30, 2018, the outstanding balance related to the new facility obtained from IFC is RON 38,842,500, the equivalent of EUR 8,333,333.

According to the new loan agreement, the repayment of EUR 10,000,000 will be performed through 12 consecutive installments of EUR 833,333 starting November 15, 2017.

The set of indicators that have to be maintained by the Group were modified and will be calculated semi-annually on basis of Adjusted Equity, Adjusted Prospective Debt Service Coverage Ratio and adjusted EBITDA. The interest to be charged will be charged based on EURIBOR plus relevant spread.

The IFC loan is secured through the following guarantees:

- immovable mortgage on land and buildings situated on 365 Calea Grivitei
- immovable mortgage on land and buildings owned by Bahtco Invest SA (Pediatrics Hospital)
- immovable mortgage on land and buildings owned by Policlinica de Diagnostic Rapid SA (PDR Clinic and Hospital)
- immovable mortgage on land and buildings owned by RUR Medical SA
- a first ranking mortgage on Med Life's shares held by the Sponsors (Mr. Mihail Marcu, Ms. Mihaela Gabriela Cristescu and Mr. Nicolae Marcu) from time to time in favour of IFC securing IFC Equity, as amended from time to time
- a second ranking on all the Borrower's shares held by the Sponsors from time to time in favour of IFC securing the obligations of the Borrower under the agreement
- a mortgage on Med Life's cash accounts opened with BCR, as amended from time to time
- a mortgage on each of the Co-Borrower's cash accounts opened with BCR
- mortgage on shares owned by the Borrower in the share capital of each the Co-Borrowers, Centrul

MED LIFE SA
STANDALONE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST SEMESTER OF 2019

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

13. FINANCIAL DEBT (continued)

Medical Sama SA, RUR Medical SA, Ultratest SA, Prima Medical SRL, Diamed Center SRL, Stem Cells Bank SA, Centrul Medical Panduri SA, Dent Estet Clinic SA and any other material company or accession borrower

- movable mortgage agreement: certain movable assets: medical equipment (including future medical equipment), insurances related to tangible assets mortgaged in relation to the transaction documents, bank and treasury accounts, commercial receivables of Borrower
- movable mortgage agreement: certain movable assets: medical equipment (including future medical), insurances related to tangible assets mortgaged in relation to the transaction documents, bank and treasury accounts of Bahtco Invest SA, Policlinica de Diagnostic Rapid SA, Accipiens SA
- movable mortgage of Target Shares owned by the Borrower in favor of IFC.
- movable mortgage agreement over certain commercial receivables of Med Life (including receivables against the National Health House of Romania, the Health Insurance House of the Defense, Public Order, National Safety and Judicial Authority in Romania or any similar entity and receivables arising under large commercial contracts).

(b) Med Life SA concluded in 2011 another contract for a multi-product facility with BCR with as maximum amount of EUR 5,000,000. In 2016, as part of the Club Loan Agreement, Med Life refinanced this facility with facility B of the Club Loan agreement.

(c) On August 28, 2014, the Med Life signed a refinancing agreement with BCR related to the A and B loan obtained from IFC and Erste Bank (parties to a participation agreement dated 11 August 2011 according to which Erste Group Bank AG has purchased all the participations in the initial loan B).

According to the agreement with IFC, the Group shall maintain a set of financial indicators. The indicators are to be computed based on the IFRS consolidated financial statements.

In 2016, the Med Life SA signed a club loan agreement with four banks (the Finance Parties- Banca Comerciala Romana SA, BRD- Groupe Societe Generale SA, ING Bank N.V. Amsterdam-Bucharest Branch and Raiffeisen Bank SA) for the total amount of EUR 48,764,590 and RON 27,000,000, through which the Group refinanced the entire long-term loan from BCR (described above) and the short-term credit facility from BCR, in order to continue the investing activities.

The Group shall repay Facility A and Facility C pro rata with the amount made available in semi-annual installments according to the agreed schedule.

The Group shall repay each Facility B loan drawn on the last day of its Interest Period. Without prejudice on the Group's obligation, one or more Facility B loans are to be made available to the Group on the same day that a maturing Facility B loan is due to be repaid by the Group, in whole or in part for the purpose of refinancing the maturing Facility B loan.

The rate of interest on each loan for each interest period is the percentage rate per annum which is the aggregate of the applicable margin and in relation to any loan in EUR, EURIBOR or, in relation to any loan in RON, ROBOR.

The following security was requested:

- immovable mortgage over (i) a plot of land located at 365 Calea Grivitei sector 1, Bucharest Romania (cadastral number 13183/1) and the buildings related
- immovable mortgage over a plot of land and the buildings thereon comprising Pediatrics Hospital located in Bucharest, 7 Zagazului street - land book 218010
- immovable mortgage over a plot of land and the buildings thereon comprising PDR Clinic and Hospital located in Brasov 5, Turnului Street - land book no 127854
- moveable mortgage over certain moveable assets (large medical equipment) owned by each of Med Life, Bahtco Invest SA and Policlinica de Diagnostic Rapid SA
- moveable mortgage over future medical equipment to be acquired by each original borrower created in favor of Finance Parties and securing as regards Med Life and Bahtco Invest SA, the obligations of Med Life and Bahtco Invest SA under the Finance documents and as regards other original borrower, its obligations under Finance Documents.

MED LIFE SA
STANDALONE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST SEMESTER OF 2019

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

13. FINANCIAL DEBT (continued)

- moveable mortgage over the insurances of each borrower related to tangible assets mortgaged in favor of the Finance Parties
- movable mortgage over the shares owned by the Company in the share capital of the other original borrowers and Centrul Medical Sama SA, Ultratest SA, Rur Medical SA and any other material company or accession borrower if case, respectively created by the Company in favor of the Finance Parties and securing the obligations of the Company and Bahtco under finance agreements.
- moveable mortgage over the bank and treasury accounts of each original borrowers
- moveable mortgage over certain commercial receivables of the Company (including receivables against the National Health House of Romania, the Health Insurance House of the Defense, Public Order, National Safety and Judicial Authority in Romanian or any similar entity and receivables arising under commercial contracts created in the favor of the Finance Parties)
- moveable mortgage over the shares of the sponsors in the borrower to be created under a moveable mortgage agreement over shares to be entered into between the sponsors, the lender and IFC

14. ISSUED CAPITAL

As of June 30, 2019 the shareholders' structure is as presented below:

	No. of shares	%
Marcu Mihail	3,897,920	17.60%
Marcu Nicolae	2,692,400	12.16%
Cristescu Mihaela Gabriela	3,110,115	14.04%
Altii	12,444,677	56.20%
TOTAL	22,145,082	100.00%

15. RESERVES

	30 June 2019	1 January 2019
General reserves	1,004,600	1,004,600
Other reserves	9,068,350	9,068,350
Revaluation reserves	63,024,297	63,024,297
TOTAL	73,097,247	73,097,247

16. SALES

Turnover for the six months period ended June 30, 2019 is of RON 224,324,273 (for the six months period ended June 30, 2018 - RON 210,247,942) consisting of medical services, net of VAT, including revenues from health packages of corporate customers and fees for services rendered within Med Life's clinics and various hospitals within Romania.

17. OTHER OPERATING REVENUES

	H1 2019	H1 2018
Other operating revenues	629,810	170,974
Capitalized costs of intangible assets	1,616,353	-
TOTAL	2,246,163	170,974

MED LIFE SA
STANDALONE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST SEMESTER OF 2019

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

18. OPERATING EXPENSES

	H1 2019	H1 2018
Consumable materials and repair materials	32,492,853	30,490,353
Utilities	2,246,835	2,181,077
Repairs maintenance	2,708,667	2,230,777
Rent	1,426,461	14,623,602
Insurance premiums	945,279	809,185
Promotion expense	3,891,465	5,341,501
Communications	1,138,870	1,159,531
Third party expenses (including doctor's agreements)	68,357,283	61,703,354
Salary and related expenses	71,780,228	63,581,195
Social contributions	2,615,742	2,250,281
Depreciation	23,142,689	14,169,508
Other administration and operating expenses	4,117,429	3,809,449
TOTAL	214,863,801	202,349,813

19. NET FINANCIAL RESULT

	H1 2019	H1 2018
Net foreign exchange rate impact	(3,393,645)	(3,090,440)
Net finance cost – interest expense	(5,789,247)	(5,065,862)
Interest income	1,052,433	875,466
NET FINANCIAL RESULT	(8,130,459)	(7,280,836)

20. SUBSEQUENT EVENTS

Acquisition of companies

Med Life announced on July 18, 2019 the acquisition of a new 3% package from the group of companies Genesys Arad, one of the largest private medical service operators in the western part of Romania. As a result of this takeover, MedLife System holds 61% of the total package.

There were no other significant events after June 30, 2019.

Mihail Marcu,
CEO

Vera Firu,
Accounting and Tax Manager