

SISTEMUL MEDICAL
MedLife

MED LIFE GROUP

FINANCIAL REPORT 1st SEMESTER 2023

WHICH INCLUDES SIMPLIFIED CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED JUNE 30, 2023

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

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 33,217,623

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

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MED LIFE GROUP
 CONSOLIDATED UNAUDITED STATEMENT OF FINANCIAL POSITION
 AS AT JUNE 30, 2023
 (all amounts are expressed in RON, unless otherwise specified)



	June 30, 2023	January 1, 2023
ASSETS		
Non-current Assets		
Goodwill	450,957,499	368,672,606
Intangible assets	101,747,687	100,192,265
Property, plant and equipment	967,139,494	828,501,060
Right-of-use asset	292,636,286	306,413,389
Other financial assets	46,217,022	82,810,704
Total Non-Current Assets	<u>1,858,697,988</u>	<u>1,686,590,024</u>
Current Assets		
Inventories	102,910,245	98,770,370
Trade Receivables	212,442,724	221,358,860
Other assets	53,955,887	44,362,334
Cash and cash equivalents	109,593,828	89,068,154
Prepayments	14,595,940	11,826,587
Total Current Assets	<u>493,498,624</u>	<u>465,386,305</u>
TOTAL ASSETS	<u>2,352,196,612</u>	<u>2,151,976,329</u>
LIABILITIES & SHAREHOLDER'S EQUITY		
Non-Current Liabilities		
Lease liability	211,224,870	225,175,340
Other long term debt	28,486,033	21,657,277
Interest-bearing loans and borrowings	979,314,589	803,273,659
Deferred tax liability	43,412,806	44,250,160
Total Non-Current Liabilities	<u>1,262,438,298</u>	<u>1,094,356,436</u>
Current Liabilities		
Trade and other payables	336,500,627	335,356,742
Overdraft	17,012,060	27,801,016
Current portion of lease liability	79,872,699	77,141,698
Current portion of interest-bearing loans and borrowings	69,803,853	55,695,054
Current tax liabilities	3,488,690	814,508
Provisions	9,963,711	9,783,326
Other liabilities	75,044,162	68,989,304
Total Current Liabilities	<u>591,685,802</u>	<u>575,581,648</u>
TOTAL LIABILITIES	<u>1,854,124,100</u>	<u>1,669,938,084</u>
SHAREHOLDER'S EQUITY		
Share capital and Share premium	83,504,400	83,812,556
Treasury shares	(595,125)	(3,219,219)
Reserves	207,866,775	204,591,242
Retained earnings	131,712,534	131,596,255
Equity attributable to owners of the Group	<u>422,488,584</u>	<u>416,780,834</u>
Non-controlling interests	75,583,928	65,257,411
TOTAL EQUITY	<u>498,072,512</u>	<u>482,038,245</u>
TOTAL LIABILITIES AND EQUITY	<u>2,352,196,612</u>	<u>2,151,976,328</u>

Mihail Marcu,
CEO

Alina Irinoiu,
CFO

MED LIFE GROUP
CONSOLIDATED UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED JUNE 30, 2023
(all amounts are expressed in RON, unless otherwise specified)



	Period ended June 30,	
	2023	2022
REVENUE FROM CONTRACTS WITH CUSTOMERS	1,066,209,218	860,395,896
Other operating revenues	8,759,241	4,258,600
Operating Income	1,074,968,459	864,654,496
Consumable materials and repair materials	(186,568,449)	(139,400,269)
Third party expenses	(297,587,473)	(224,064,799)
Salary and related expenses	(261,999,637)	(205,158,993)
Social contributions	(9,286,728)	(7,362,640)
Depreciation and amortization	(92,017,442)	(66,516,069)
Impairment losses and gains (including reversals of impairment losses)	(1,002,093)	-
Commodities expenses	(103,737,029)	(99,292,519)
Other operating expenses	(72,836,323)	(53,681,312)
Operating expenses	(1,025,035,174)	(795,476,602)
Operating Profit	49,933,285	69,177,894
Finance cost	(34,768,816)	(16,094,864)
Other financial expenses	(2,896,440)	(381,157)
Financial result	(37,665,255)	(16,476,021)
Result Before Taxes	12,268,030	52,701,873
Income tax expense	(7,264,354)	(7,054,906)
Net Result	5,003,676	45,646,967
Owners of the Group	6,047,063	41,618,275
Non-controlling interests	(1,043,387)	4,028,692
Other comprehensive income items that will not be reclassified to profit or loss		
TOTAL OTHER COMPREHENSIVE INCOME	-	-
Total other comprehensive income attributable to:		
Owners of the Group	-	-
Non-controlling interests	-	-
TOTAL COMPREHENSIVE INCOME	5,003,676	45,646,967
Total comprehensive income attributable to:		
Owners of the Group	6,047,063	41,618,275
Non-controlling interests	(1,043,387)	4,028,692

Mihail Marcu,
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MED LIFE GROUP
CONSOLIDATED UNAUDITED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED JUNE 30, 2023
(all amounts are expressed in RON, unless otherwise specified)



	Period ended June 30, 2023	Period ended June 30, 2022
Net profit before taxes	12,268,030	52,701,873
Adjustments for		
Depreciation and amortization	92,017,442	66,516,069
Provisions for liabilities and charges	(282,297)	-
Interest revenue	(2,197,945)	(390,326)
Interest expense	34,768,816	16,094,864
Allowance for doubtful debts and receivables written-off	1,002,093	-
Other non-monetary gains	(3,306,325)	(2,595,553)
Unrealized exchange loss	5,195,778	795,499
Operating cash flow before working capital changes	139,465,591	133,122,427
Decrease / (increase) in accounts receivable	(3,808,814)	(8,291,563)
Decrease / (increase) in inventories	782,625	(623,827)
Decrease / (increase) in prepayments	(2,183,573)	(2,754,309)
Increase / (decrease) in accounts payable	(22,969,716)	(16,686,988)
Cash generated from working capital changes	(28,179,478)	(28,356,687)
Cash generated from operations	111,286,113	104,765,740
Income Tax Paid	(5,533,856)	(6,939,690)
Interest Paid	(27,799,357)	(12,547,061)
Interest received	2,197,945	390,326
Net cash from operating activities	80,150,845	85,669,314
Acquisition of subsidiaries, net of cash acquired	(59,907,206)	(178,984,135)
Purchase of intangible assets	(5,129,621)	(4,497,399)
Purchase of property, plant and equipment	(73,206,117)	(53,626,988)
Net cash used in investing activities	(138,242,944)	(237,108,522)
Proceeds from loans	169,044,186	184,310,135
Payment of loans	(52,164,426)	(19,179,945)
Payment of principal portion of lease liabilities	(37,860,036)	(28,101,478)
Dividends paid to NCI	-	(30,000)
Payments for purchase of treasury shares	(401,951)	(6,234,651)
Additional participation interest acquired	-	(7,777,676)
Net cash from financing activities	78,617,773	122,986,385
Net change in cash and cash equivalents	20,525,674	(28,452,822)
Cash and cash equivalents beginning of the period	89,068,154	135,858,888
Cash and cash equivalents end of the period	109,593,828	107,406,066

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MED LIFE GROUP
 CONSOLIDATED UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED JUNE 30, 2023
 (all amounts are expressed in RON, unless otherwise specified)



	Share Capital	Treasury shares	Share premium	Legal reserves and other reserves	Revaluation Reserve	Accumulated Results	Attributable to owners of the parent	Non-controlling interests	Total Equity
Balance as at January 1, 2023	33,217,623	(3,219,219)	50,594,933	55,094,194	149,497,049	131,596,255	416,780,835	65,257,412	482,038,247
Profit of the year	-	-	-	-	-	6,047,063	6,047,063	(1,043,385)	5,003,678
Revaluation of Land and Constructions	-	-	-	-	-	-	-	-	-
Deferred tax related to other elements of the overall result	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	6,047,063	6,047,063	(1,043,385)	5,003,678
Recognition of other reserves for fiscal purposes (legal reserves)	-	-	-	15,797	-	(15,797)	-	-	-
Recognition of other reserves	-	-	-	3,259,736	-	(3,259,736)	-	-	-
Additional non-controlling interest arising as of result of business combinations	-	-	-	-	-	-	-	15,618,859	15,618,859
Subsequent acquisition of NCI	-	-	-	-	-	(2,655,250)	(2,655,250)	(4,248,958)	(6,904,208)
Distribution of dividends	-	-	-	-	-	-	-	-	-
Increase from own shares acquisition	-	(401,951)	-	-	-	-	(401,951)	-	(401,951)
Net release of own shares used for acquiring additional NCI	-	3,026,045	-	-	-	-	3,026,045	-	3,026,045
Increase in premiums due to difference between fair value and cost of own shares when the exchange was made	-	-	(308,156)	-	-	-	(308,156)	-	(308,156)
Balance as at June 30, 2023	33,217,623	(595,125)	50,286,777	58,369,726	149,497,049	131,712,535	422,488,586	75,583,928	498,072,514

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MED LIFE GROUP
 CONSOLIDATED UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED JUNE 30, 2023
 (all amounts are expressed in RON, unless otherwise specified)



	Share Capital	Treasury shares	Share premium	Legal reserves and other reserves	Revaluation Reserve	Accumulated Results	Attributable to owners of the parent	Non-controlling interests	Total Equity
Balance as at January 1, 2022	33,217,623	(4,015,977)	49,177,468	41,850,760	95,484,740	122,394,796	338,109,410	43,295,149	381,404,558
Recognition of other reserves for fiscal purposes (legal reserves)	-	-	-	551,325	-	(551,325)	-	-	-
Recognition of other reserves	-	-	-	1,205,797	-	(1,205,797)	-	-	-
Additional NCI arising as of result of business combinations	-	-	-	-	-	-	-	11,402,662	11,402,662
Subsequent acquisition of NCI	-	-	-	-	-	(4,113,144)	(4,113,144)	(5,952,993)	(10,066,137)
Distribution of dividends	-	-	-	-	-	-	-	-	-
Increase from own shares acquisition	-	(6,234,573)	-	-	-	-	(6,234,573)	-	(6,234,573)
Net release of own shares used for acquiring additional NCI	-	8,684,432	-	-	-	-	8,684,431	-	8,684,431
Increase in premiums due to difference between fair value and cost of own shares when the exchange was made	-	-	1,417,465	-	-	-	1,417,465	-	1,417,465
Total comprehensive income	-	-	-	-	-	41,618,274	41,618,274	4,028,691	45,646,965
Deferred tax related to other elements of the overall result	-	-	-	-	-	-	-	-	-
Profit of the period	-	-	-	-	-	41,618,274	41,618,274	4,028,691	45,646,965
Balance as at June 30, 2022	33,217,623	(1,566,118)	50,594,933	43,607,882	95,484,740	158,142,805	379,481,863	52,773,509	432,255,372

Mihail Marcu,
 CEO

Alina Irinoiu,
 CFO

1. DESCRIPTION OF THE BUSINESS

Med Life S.A. ("MedLife" or the "Parent Company" or the "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 33,217,623, with a nominal share value of 0.25 RON.

The Company's activity resides in the performance of healthcare services activities through medical centres with national coverage.

MedLife, together with its subsidiaries ("MedLife Group" or the "Group"), is offering a large range of medical service, with a network of 35 hyperclinics, 70 clinics, 13 hospitals – located in Bucharest, Arad, Sibiu, Brasov, Cluj, Ploiesti and Pitesti, 38 laboratories, 23 pharmacies and 18 dental clinics. The Group has also more than 170 private clinic partners around Romania.

List of the entities part of Med Life Group as at June 30, 2023 and January 1, 2023 are as follows (ownership percentage):

No.	Entity	Main activity	Location	30 June 2023	1 January 2023
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 SA	Development of building projects	Bucharest, Romania	100%	100%
6	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	Med Life Broker de Asigurare si Reasigurare SRL	Insurance broker	Bucharest, 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 SA (indirect)*	Medical Services	Brasov, Romania	83%	83%
15	Biotest Med SRL	Medical Services	Bucharest, 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%	92%
19	Diamed Center SRL	Medical Services	Bucharest, 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 healthcare	Bucharest, Romania	65%	60%
23	Green Dental Clinic SRL (indirect)*	Dental healthcare	Bucharest, Romania	33.2%	31%
24	Dentist 4 Kids SRL (indirect)*	Dental healthcare	Bucharest, Romania	65%	60%
25	Dent A Porter SRL (indirect)*	Dental healthcare	Bucharest, Romania	33.5%	31%
26	Dentestet Kids SRL (indirect)*	Dental healthcare	Bucharest, Romania	34.4%	32%
27	Aspen Laborator Dentar SRL (indirect)*	Dental healthcare	Bucharest, Romania	48.8%	45%

No.	Entity	Main activity	Location	30 June 2023	1 January 2023
28	Centrul Medical Panduri SA	Medical Services	Bucharest, Romania	100%	100%
29	Almina Trading SA	Medical Services	Targoviste, Romania	90%	90%
30	Anima Specialty Medical Services SRL	Medical Services	Bucharest, Romania	100%	100%
31	Anima Promovare si Vanzari SRL (indirect)*	Medical Services	Bucharest, 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	Bucharest, Romania	100%	100%
37	Sfatul medicului SRL	Medical Platform	Bucharest, Romania	100%	100%
38	RMC Dentart (indirect)*	Dental healthcare	Budapesta, Ungaria	79.9%	81.3%
39	RMC Medical (indirect)*	Medical Services	Budapesta, Ungaria	79.9%	81.3%
40	RMC Medlife	Holding	Budapesta, Ungaria	79.9%	81.3%
41	Badea Medical SRL	Medical Services	Cluj, Romania	65%	65%
42	Oncoteam Diagnostic SA	Medical Services	Bucharest, Romania	79%	79%
43	Centrul medical Micromedica SRL	Medical Services	Piatra Neamt, Romania	100%	100%
44	Micromedica Targu Neamt SRL (indirect)*	Medical Services	Targu Neamt, Romania	100%	100%
45	Micromedica Bacau 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	Bucharest, Romania	100%	100%
51	Pharmachem Distributie SRL	Distribution of Pharmaceutical Products	Bucharest, Romania	75%	75%
52	CED Pharma SRL (indirect)*	Distribution of Pharmaceutical Products in specialised stores	Bucharest, Romania	100%	100%
53	Leti Pharm 2000 SRL (indirect)*	Distribution of Pharmaceutical Products in specialised stores	Bucharest, Romania	100%	100%
54	Monix Pharm SRL (indirect)*	Distribution of Pharmaceutical Products in specialised stores	Bucharest, Romania	100%	100%
55	KronDent SRL (indirect)*	Dental healthcare	Brasov, Romania	39%	36%
56	Medica SA	Medical Services	Sibiu, Romania	60%	60%
57	Dent Estet Ploiesti SRL (indirect)*	Dental healthcare	Ploiesti, Romania	33.2%	30.6%
58	The Lab Stomestet SRL (indirect)*	Dental healthcare	Cluj, Romania	39%	36%
59	Stomestet SRL (indirect)*	Dental healthcare	Cluj, Romania	39%	36%
60	Stomestet Plus SRL (indirect)*	Dental healthcare	Cluj, Romania	39%	36%

No.	Entity	Main activity	Location	30 June 2023	1 January 2023
61	Costea Digital Dental SRL (indirect)*	Dental healthcare	Oradea, Romania	38%	36%
62	Expert Med Centrul Medical Irina (indirect)*	Medical Services	Galati, Romania	76%	76%
63	MNT Healthcare Europe SRL	Medical Services	Ilfov, Romania	50%	50%
64	MNT Asset Management SRL (indirect)*	Holding	Bucharest, Romania	50%	50%
65	Clinica Life-Med SRL (indirect)*	Medical Services	Bucharest, Romania	100%	100%
66	Pro Life Clinics SRL (indirect)*	Medical Services	Iasi, Romania	60%	60%
67	Onco Card SRL (indirect)*	Medical Services	Brasov, Romania	83%	83%
68	Onco Card Invest SRL (indirect)*	Holding	Brasov, Romania	83%	83%
69	Tomorad Expert SRL (indirect)*	Medical Services	Sfantu Gheorghe, Romania	66.4%	66.4%
70	IT Repair SRL (indirect)*	Medical Services	Targu Mures, Romania	49.8%	49.8%
71	Medici's SRL	Medical Services	Timisoara, Romania	80%	80%
72	Micro-Medic SRL	Medical Services	Timisoara, Romania	80%	80%
73	Sweat Concept One SRL	Wellness	Bucharest, 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	80%	80%
80	Dent Estet Genesys SRL (indirect)*	Medical Services	Arad, Romania	73.8%	71.3%
81	Aspire Dental SRL (indirect)*	Dental healthcare	Bucharest, Romania	65%	60%
82	Sanopass SA	Medical Platform	Targoviste, Romania	62.5%	51%
83	Muntenia Medical Competences S.A.	Medical Services	Pitesti, Romania	79.8%	0%
84	Bios Diagnostic Medical Services SRL*	Medical Services	Bucharest, Romania	51%	0%
85	Centrul de Diagnostic si Tratament Provita S.A.	Medical Services	Bucharest, Romania	51%	0%
86	Medical City Blue SRL*	Medical Services	Bucharest, Romania	51%	0%
87	Laborator Cuza Voda SRL*	Medical Services	Bucharest, Romania	51%	0%
88	Provita Pain Clinic SA*	Medical Services	Suceava, Romania	35.7%	0%
89	Policlinica Sf. Ilie SRL*	Medical Services	Craiova, Romania	100%	0%
90	Policlinica Union SRL*	Medical Services	Cluj, Romania	51%	0%

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

**The ownership held in Dent Estet Clinic SA has increased with 5%, from 60% to 65% as of January 2023

1. ACCOUNTING PRINCIPLES, POLICIES AND METHODS

The accounting policies applied in these simplified unaudited consolidated financial statements are the same as those applied in the Group's consolidated financial statements as of and for the financial year ended on December 31, 2022.

This financial report must be read together with the last consolidated annual financial statements of the Group as of and for the financial year ended on December 31, 2022, which includes all the necessary information for a complete set

of financial statements prepared in accordance with International Financial Reporting Standards (IFRS) adopted by the European Union. However, certain explanatory notes are included to explain events and transactions that are significant for understanding the changes in the Group's financial position and performance compared to the last annual financial statements.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

3.1 Declaration of Conformity

The consolidated financial statements ("financial statements") of the group have been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union (EU).

The accounting policies applied in these financial statements are the same as those applied in the Group's annual consolidated financial statements as at and for the year ended 31 December 2022, except for the adoption of new standards effective as of January 1st, 2023.

The financial year corresponds to the calendar year.

3.2 Basis of preparation

The financial statements of the Group are presented in RON ("Romanian Leu"), using going concern principles. All values are rounded to the nearest two decimals. The financial statements have been prepared on the historical cost basis, except for certain items that have been measured at fair value, such as certain non-current assets and financial instruments, as presented in the notes to the financial statements.

The Group maintains the accounting books in accordance with the Regulations on Accounting and Reporting issued by the Ministry of Finance in Romania.

3.3 Going concern

These financial statements have been prepared on a going concern basis, which assumes the Group will be able to realize its assets and discharge its liabilities in the normal course of business. The Group 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.

Based on the Group's current financial position and the modelled scenarios, the directors have concluded that the Group has sufficient liquidity to meet all its obligations for at least the twelve months from the date of this report and the directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

3.4 Significant judgements, estimates and assumptions

The preparation of the 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.

When preparing these simplified unaudited consolidated financial statements, the Group's judgements, estimates and significant assumptions are the same as those applied in the audited consolidated financial statements as of and for the financial year ended December 31, 2022.

3.5 Foreign currency and translation

Functional and presentation currency

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

The exchange rates as announced by the National Bank of Romania on June 30, 2023 were RON 4.9634 for EUR 1 (December 31, 2022: RON 4.9474 for EUR 1), respectively 1.3371 for HUF 100 (December 31, 2022: RON 1.2354 for 100 HUF).

The average exchange rates for the period of 6 months 2023 were RON 4.9335 for 1 EUR (6 months 2022: RON 4.9455 for 1 EUR), respectively RON 1.2965 for 100 HUF (6 months 2022: RON 1.3206 for 100 HUF).

Translation of foreign currencies

Transactions in foreign currencies are translated to the respective functional currency of the Group at the exchange rate ruling at the time of the transaction. Foreign currency monetary assets and liabilities are retranslated into the functional currency at rates of exchange ruling at the reporting date. The foreign exchange differences arising on these translations are recognised as other financial income/expense in the income statement.

Translation of foreign operations

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period. Foreign exchange differences arising on translation are recognised in equity through the statement of comprehensive income.

4. GOODWILL

The Group records goodwill resulting from business combinations.

For the purpose of impairment testing, goodwill is allocated to the cash generating unit (CGU) which is expected to benefit from the synergies of the business combination. 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 goodwill, at each individual level. No impaired goodwill was identified in this context.

5. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLES ASSETS

	June 30 2023	January 1, 2023
Gross book value	1,696,306,054	1,461,161,755
Accumulated depreciation	(627,418,874)	(532,468,429)
Net book value	1,068,887,180	928,693,326

6. INVENTORIES

	June 30 2023	January 1, 2023
Consumables	54,256,893	50,500,617
Materials in the form of inventory items	1,380,938	1,153,623
Merchandise	47,271,796	47,115,210
Inventory in transit	619	920
TOTAL	102,910,245	98,770,370

7. TRADE RECEIVABLES

	June 30 2023	January 1, 2023
Trade receivables	251,301,202	258,302,033
Allowance for doubtful receivables	(38,858,478)	(36,943,173)
TOTAL	212,442,724	221,358,860

Credit risk for MedLife Group primarily relates to trade receivables in the ordinary course of business. Customers' compliance with agreed credit terms is monitored regularly and closely. Where payments are delayed by customers, steps are taken to restrict access to services or contracts are terminated.

Certain customers, which are public or quasi-public institutions, or subsidiaries of MedLife, may have longer payment terms and services may continue to be delivered when amounts are overdue, based on management's assessment of a lower credit risk.

The average receivable period for the services offered is 95 days. There is no interest on commercial receivables within the first 95 days from the date of issue of the invoice, which also represents the average contractual term.

The carrying amount of financial assets, measured at amortised cost, represents the maximum credit exposure. There are no credit enhancements or collateral held that would offset such amounts. As the customer base of the Group is very diverse, there are generally no large concentrations of credit risk.

8. CASH AND BANKS

	June 30 2023	January 1, 2023
Cash in bank	104,022,033	85,385,761
Cash in hand	3,688,838	2,554,466
Cash equivalents	1,882,956	1,127,928
TOTAL	109,593,828	89,068,154

9. PREPAYMENTS

As of June 30, 2023 the Group has prepayments in amount of RON 14,595,940 (RON 11,826,587 as of January 1, 2023). The prepayments balance as of June 30, 2023 and January 1, 2023 consists mainly of deferred commissions for financing related to the Club loan for undrawn facilities and other amounts such as insurance policies for professionals and tangible assets.

10. TRADE AND OTHER PAYABLES

	June 30 2023	January 1, 2023
Suppliers	269,450,434	281,384,001
Fixed assets suppliers	56,881,418	48,347,315
Advances paid by customers (contract liabilities)	10,168,776	5,625,426
TOTAL	336,500,627	335,356,742

The balance of the suppliers' account consists of debts for the acquisition of consumables, materials and commodities. Fixed assets suppliers consist of debts for the acquisition of medical equipment.

11. OTHER LIABILITIES

	June 30 2023	January 1, 2023
Salary and related liabilities (incl. contributions)	28,637,848	24,169,661
Other liabilities	46,406,315	44,819,643
TOTAL	75,044,162	68,989,304

12. LEASES

Leasing facilities refer to buildings, medical equipment and vehicles.

	June 30 2023	January 1, 2023
Non-current portion of lease liability	211,224,870	225,175,340
Current portion lease liability	79,872,699	77,141,698
TOTAL	291,097,569	302,317,038

13. NET FINANCIAL DEBT

	June 30 2023	January 1, 2023
Current portion of interest-bearing loans and borrowings	86,815,913	83,496,070
Non-current portion of interest-bearing loans and borrowings	979,314,589	803,273,659
TOTAL	1,066,130,502	886,769,729

On 13 December 2022, following the approval of the General Meeting of Shareholders on 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 DISTRIBUTIE 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 Comercială Română, as lead arranger, a syndicated credit facility in the total amount of 228 million euros for the refinancing and increase of the existing credit of 50.7 million euros. The bank syndicate that signed the new credit granted to the MedLife Group is comprised of Banca Comerciala Romana, as coordinator, lead arranger, documentation agent, facility and guarantee agent, and financier, Raiffeisen Bank, BRD Groupe Societe Generale, Banca Transilvania, ING Bank N.V. Amsterdam Branch Bucharest, and Erste Group Bank AG, as lead arrangers and financiers.

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

The closing balance of the syndicated loan is 967,252,908 RON as of June 30th 2023.

As at June 30, 2023, the Group's drawn and undrawn financing facilities included the following:

- loan agreement and an overdraft facility agreement secured by CEC Bank S.A. and Clinica Polissano S.R.L., with an outstanding balance of RON 18.037.578 as of 30 June 2023;
- a loan agreement secured by Banca Transilvania S.A. and Ghencea Medical Center, with an outstanding balance of RON 462.741 as of 30 June 2023;
- a loan agreement secured by Banca Transilvania S.A. and Micromedica Roman S.R.L., with an outstanding balance of RON 841.053 as of 30 June 2023;
- two loan agreements secured by Banca Transilvania S.A. and Centrul Medical Micromedica S.R.L., with an outstanding balance of RON 762.418 as of 30 June 2023;

- a loan agreement secured by Raiffeisen Bank S.A. and Krondent S.R.L., with an outstanding balance of RON 9.741 as of 30 June 2023;
- a loan agreement secured by Banca Transilvania S.A. and Dent Estet Ploiesti S.R.L., with an outstanding balance of RON 2.105.742 as of 30 June 2023;
- a loan agreement secured by Banca Transilvania S.A. and Life Med S.R.L., with an outstanding balance of RON 496.708 as of 30 June 2023;
- a loan agreement secured by BRD GROUPE SOCIETE GENERALE S.A. and Pro Life Clinics S.R.L., with an outstanding balance of RON 62.500 as of 30 June 2023, and a loan agreement secured by ING BANK N.V. AMSTERDAM SUCURSALA BUCURESTI and Pro Life Clinics S.R.L., with an outstanding balance of RON 143.205 as of 30 June 2023;
- a loan agreement secured by EXIM BANK S.A. and Medicris S.R.L., with an outstanding balance of RON 358.561 as of 30 June 2023;
- a loan agreement secured by ING BANK N.V. AMSTERDAM SUCURSALA BUCURESTI and Medici's S.R.L., with an outstanding balance of RON 42.054 as of 30 June 2023;
- a loan agreement secured by Banca Transilvania S.A. and Medical City Blue SRL, with an outstanding balance of RON 364.655 as of 30 June 2023;
- a loan agreement secured by Banca Transilvania S.A. and Centrul de diagnostic și tratament Provita SRL, with an outstanding balance of RON 47.146.308 as of 30 June 2023;
- a loan agreement secured by Banca Comercială Română and Provita Pain Clinic SA, with an outstanding balance of RON 581.721 as of 30 June 2023;
- an overdraft facility agreement secured by Garanti Bank S.A. and Med Life S.A., with the amount drawn as of 30 June 2023 being RON 9.926.800;
- 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 30 June 2023;
- an overdraft facility agreement secured by Banca Transilvania S.A. and Onco Team Diagnostic S.R.L., with an outstanding balance of RON 198.979 as of 30 June 2023;
- an overdraft facility agreement secured by Banca Transilvania S.A. and Pharmachem Distribuție S.R.L., with an outstanding balance of RON 3.751.677;
- an overdraft facility agreement concluded between Banca Transilvania S.A. and Medical City Blue SRL, with an outstanding balance of RON 968.000 as of 30 June 2023;
- an overdraft facility agreement concluded between Banca Transilvania S.A. and Centrul de diagnostic și tratament Provita SRL, with an outstanding balance of RON 2.721.863 as of 30 June 2023.

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

As at June 30, 2023 none of the Group members was in breach of any applicable term of the financing facilities.

14. SHARE CAPITAL AND SHARE PREMIUM

The issued share capital in nominal terms consists of 132,870,492 ordinary shares as at 30 June 2023 (1 January 2023: 132,870,492) with a nominal value of RON 0.25 per share. The holders of ordinary shares are entitled to one vote per share in the shareholders' meetings of the Company, except for the treasury shares bought back by the Company as part of the share buy-back program. All shares rank equally and confer equal rights to the net assets of the Company, except for treasury shares.

	June 30, 2023	January 1, 2023
Share capital	33,217,623	33,217,623
Share premium	50,286,777	50,594,933
TOTAL	83,504,400	83,812,556

	Number of shares	%	Value
Legal entities	72,393,574	54.48%	18,098,394
Marcu Mihail	19,932,307	15.00%	4,983,077
Cristescu Mihaela Gabriela	18,660,690	14.04%	4,665,173
Marcu Nicolae	13,835,400	10.41%	3,458,850
Others	8,048,521	6.06%	2,012,130
TOTAL	132,870,492	100.00%	33,217,623

15. RESERVES

	June 30 2023	January 1, 2023
General reserves	24,341,680	24,325,883
Other reserves	34,028,046	30,768,310
Revaluation reserves	149,497,049	149,497,049
TOTAL	207,866,775	204,591,242

16. NON-CONTROLLING INTEREST

	June 30 2023	January 1, 2023
Balance at beginning of year	65,257,412	43,295,149
Share of profit for the period	(1,043,385)	5,259,484
Share of other comprehensive income	-	1,673,316
Non-controlling interests arising on the acquisition of subsidiaries	15,618,859	21,895,097
Subsequent acquisition of NCI	(4,248,958)	(6,865,634)
TOTAL	75,583,928	65,257,412

17. REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from customers consist of medical services, including revenues from prevention packages of corporate customers and fees for services rendered within Group's medical facilities. Please see breakdown below.

Business Line	6 months 2023	% of Total	6 months 2022	% of Total	Variation
	2023/2022				
Clinics	397,318,224	37.3%	288,641,376	33.5%	37.7%
Stomatology	62,229,799	5.8%	56,062,067	6.5%	11.0%
Hospitals	230,215,372	21.6%	180,421,028	21.0%	27.6%
Laboratories	113,169,369	10.6%	107,200,195	12.5%	5.6%
Corporate	120,962,816	11.3%	107,751,134	12.5%	12.3%
Pharmacies	32,269,735	3.0%	35,279,714	4.1%	-8.5%
Others	110,043,903	10.3%	85,040,382	9.9%	29.4%
TOTAL SALES	1,066,209,218	100.0%	860,395,896	100%	23.9%

18. OTHER OPERATING REVENUES

	6 months 2023	6 months 2022
Other operating revenues	4,214,933	607,775
Income from operating grants	1,237,982	1,055,271
Capitalized cost of intangible assets	3,306,325	2,595,553
TOTAL	8,759,241	4,258,600

19. OTHER OPERATING EXPENSES

	6 months 2023	6 months 2022
Utilities	16,899,564	12,841,287
Repairs maintenance	9,167,695	9,222,063
Rent	6,690,283	5,604,813
Insurance premiums	2,773,529	2,039,349
Promotion expense	18,522,204	11,398,180
Communications	3,076,582	2,520,952
Other administration and operating expenses	15,706,466	10,054,668
TOTAL	72,836,323	53,681,312

20. NET FINANCIAL RESULT

	6 months 2023	6 months 2022
(Loss)/Gain from foreign exchange rate impact	(5,464,063)	(884,771)
Finance cost	(31,611,033)	(13,720,301)
Bank commissions	(3,157,782)	(2,374,563)
Other income	369,679	113,288
Interest income	2,197,944	390,326
FINANCIAL NET PROFIT/(LOSS)	(37,665,255)	(16,476,021)

21. FINANCIAL ANALYSIS

Analysis of the Consolidated Comprehensive Income

Sales for the 6 months period ended June 30, 2023, amounted to RON 1,066,209,218, higher by 23.9% compared to sales recorded in the 6 months period ended June 2022. This increase was mainly the result of growth in almost all of the Group's business lines, as well as the impact of the acquisitions completed by the Group in 2022 and 2023.

Other operating revenues have increased by 105.7% in 2023 compared to previous year, reaching RON 8,759,241 in 2023.

Operating expenses include variable and fixed costs, as well as the cost of goods and materials used to provide the Group's services. The Group recorded operating expenses of RON 1,025,035,174 in H1 2023, representing an increase of 28.9%, or RON 229,558,572 as compared to H1 2022. The Group's operating expenses as a percentage of total operating income reached 96.14% in the 6 months period ended 30 June 2023 and 92.45% in the 6 months period ended 30 June 2022.

Operating expenses evolution

	6 months 2023	6 months 2022
Consumable materials and repair materials	186,568,449	139,400,269
Commodities expenses	103,737,029	99,292,519
Utilities	16,899,564	12,841,287
Repairs maintenance	9,167,695	9,222,063
Rent	6,690,283	5,604,813
Insurance premiums	2,773,529	2,039,349
Promotion expense	18,522,204	11,398,180
Communications	3,076,582	2,520,952
Third party expenses (including doctor's agreements)	297,587,473	224,064,799
Salary and related expenses	261,999,637	205,158,993
Social contributions	9,286,728	7,362,640
Depreciation	92,017,442	66,516,069
Impairment losses and gains (including reversals of impairment losses)	1,002,093	-
Other administration and operating expenses	15,706,466	10,054,668
TOTAL	1,025,035,174	795,476,602

Operating profit recorded a decrease of 27.8% in H1 2023 as compared to H1 2022, from RON 69,177,894 in H1 2022 to RON 49,933,285 in H1 2023.

Financial loss increased in H1 2023 with RON 21,189,234 from a negative RON 16,476,021 in H1 2022 to a negative RON 37,665,255 in H1 2023.

The net result for the 6 months period ended 30 June 2023 decreased with RON 40,643,291 as compared to the corresponding period of 2022, from RON 45,646,967 in H1 2022 to RON 5,003,676 in H1 2023.

On a pro-forma basis, sales for H1 2023 amount to RON 1,029,770,201 and Adjusted EBITDA to RON 156,019,321. Please refer to Note 24 – UNAUDITED CONSOLIDATED PRO-FORMA FINANCIAL INFORMATION for more information regarding pro-forma financial information.

Analysis of the Consolidated BS

Non-current assets amount to RON 1,858,697,988 as of 30 June 2023, recording an increase of RON 172,107,964 or 10.2% as compared to 1 January 2023.

Current assets increased with RON 28,112,319 or by 6% from RON 465,386,305 as at 1 January 2023 to RON 493,498,624 as at 30 June 2023.

Current liabilities (excluding interest-bearing debt items) increased with RON 10,053,310, or by 2.4%, from RON 414,943,880 as at 1 January 2023, to RON 424,997,190 as at 30 June 2023.

Interest bearing debt increased with RON 168,141,304 or by 14.1% from RON 1,189,086,767 as of 1 January 2023 to RON 1,357,228,071 as of 30 June 2023.

22. MAIN FINANCIAL RATIOS

Current ratio	Period ended at June 30, 2023		
Current assets	493,498,624	=	0.83
Current liabilities	591,685,802		
Debt to equity ratio			
Long Term Debt	1,219,025,492	=	245%
Equity	498,072,512		
Long Term Debt	1,219,025,492	=	71%
Capital Assets	1,717,098,004		
Trade receivables turnover (days)			
Average receivables	216,900,792	=	36.62
Sales	1,066,209,218		
Fixed assets turnover			
Sales	1,066,209,218	=	0.57
Net Fixed Assets	1,858,697,988		

23. OPERATIONAL KEY PERFORMANCE INDICATORS

Business line	Info	6 months	
		2023	2022
Clinics	Revenue	397,318,224	288,641,376
Clinics	Visits	1,874,937	1,389,476
Clinics	Avg fee	215.0	207.7
Stomatology	Revenue	62,229,799	56,062,067
Stomatology	Visits	91,107	91,922
Stomatology	Avg fee	683.0	609.9
Hospitals	Revenue	230,215,372	180,421,028
Hospitals	Patients	67,496	57,212
Hospitals	Avg fee	3,410.8	3,153.5
Laboratories	Revenue	113,169,369	107,200,195
Laboratories	Analyses	3,565,294	2,486,651
Laboratories	Avg fee	31.7	30.7
Corporate	Revenue	120,962,816	107,751,134
Corporate	Subscriptions	850,335	772,219
Corporate	Avg fee	142.3	139.5
Pharmacies	Revenue	32,269,735	35,279,714
Pharmacies	Clients	232,277	279,202
Pharmacies	Sales per client	138.9	126.4
Others	Revenue	110,043,903	85,040,382

24. UNAUDITED CONSOLIDATED PRO-FORMA FINANCIAL ("CONSOLIDATED PRO FORMA PL")

Introduction

The following Consolidated Pro Forma PL of the Consolidated PL is based on the Group's Consolidated FS for the 6 months period ended June 30, 2023, adjusted with the historical financial results of the companies acquired by the Group during the period from 1 January 2023 up to June 30, 2023 (the "Acquired Companies").

Details of the Acquired Companies are set out below.

The Consolidated Pro Forma PL for the 6 months period ended June 30, 2023 transposes:

- (i) the acquisition of the Acquired Companies as if the acquisition had occurred on 1 January 2023 by combining the financial results for the period of the Acquired Companies with those of the Group and

- (ii) the elimination of certain expenses included in the Consolidated PL of the Group which the Group considers to be non-operational and/or non-recurring by nature.

The Consolidated Pro Forma PL provides a hypothetical illustration of the impact of the transactions on the Company's earnings. The Consolidated Pro Forma PL has been prepared for the Group as at and for the 6 months period ended June 30, 2023.

The Consolidated Pro Forma PL should be read in conjunction with the Consolidated FS for the 6 months period ended June 30, 2023.

Purpose of the Consolidated Pro Forma PL

The Consolidated Pro Forma PL set out below has been prepared to

- (i) illustrate the effect on the Group of the acquisitions completed in 2023 and
- (ii) provide an estimate of the Group's recurring EBITDA.

The Group's unaudited consolidated pro forma Adjusted EBITDA is also useful when analyzing the Group's current debt compared to its earnings capacity.

Although the Consolidated BS in the Consolidated FS include the full amount of debt incurred to finance the acquisitions completed as of June 30, 2023, the Consolidated PL includes no portion of the annual earnings of the Acquired Companies.

Using the unaudited consolidated pro forma Adjusted EBITDA for such comparison allows inclusion of a measure of the full period earnings that will contribute to the servicing of the debt incurred in relation to the acquisitions.

The Consolidated Pro Forma PL has been prepared for illustrative purposes only and, because of its nature, to address a hypothetical situation and therefore, does not represent the Group's actual financial results.

The Consolidated Pro Forma PL does not necessarily reflect what the combined Group's financial condition or results of operations would have been, had the acquisitions occurred on the dates indicated in the pro-forma calculations. They also may not be useful in predicting the future financial condition and results of operations of the Group with the acquired companies.

The actual financial position and results of operations may differ significantly from the pro forma amounts reflected herein due to a variety of factors.

Consolidated Pro-Forma PL

6 Months ended June 30, 2023

	Consolidated PL	Normalisation	One off	Consolidated Pro forma PL
GROSS SALES	1,066,209,218	29,756,574	-	1,095,965,792
NET SALES	1,066,209,218	(36,439,018)	-	1,029,770,201
Other operating revenues	8,759,241	976,843	-	9,736,084
OPERATING INCOME	1,074,968,459	(35,462,175)	-	1,039,506,284
OPERATING EXPENSES	(1,025,035,174)	36,918,453	10,740,407	(977,376,314)
OPERATING PROFIT	49,933,285	1,456,278	10,740,407	62,129,970
Finance cost	(34,768,816)	(605,232)	-	(35,374,048)
Other financial expenses	(2,896,440)	199,121	-	(2,697,319)
FINANCIAL RESULT	(37,665,255)	(406,111)	-	(38,071,366)
RESULT BEFORE TAXES	12,268,030	1,050,167	10,740,407	24,058,604
Income tax expense	(7,264,354)	(72,883)	(1,718,465)	(9,055,702)
NET RESULT	5,003,676	977,284	9,021,942	15,002,902

Net Income to Adjusted EBITDA

	6 Months ended June 30, 2023			
	Consolidated PL	Normalisation	One off	Consolidated Pro forma PL
Net income/(loss) for the period	5,003,676	977,284	9,021,942	15,002,902
Add back:				
Taxes on income	7,264,354	72,883	1,718,465	9,055,702
<i>Out of which:</i>				
Base tax expense	7,264,354	72,883	-	7,337,237
One off impact	-	-	1,718,465	1,718,465
Net financial result	37,665,255	406,111	-	38,071,366
Depreciation, amortisation and impairment, including write-ups	92,017,442	1,871,909	-	93,889,351
Adjusted EBITDA	141,950,727	3,328,186	10,740,407	156,019,321

Sales split by Business Line

	6 Months ended June 30, 2023			
	Consolidated PL	Normalisation*	One off	Consolidated Pro forma PL
Clinics	397,318,224	(12,447,713)	-	384,870,511
Stomatology	62,229,799	-	-	62,229,799
Laboratories	113,169,369	3,845,531	-	117,014,900
Corporate	120,962,816	560,788	-	121,523,604
Hospitals	230,215,372	(28,413,804)	-	201,801,568
Pharmacies	32,269,735	-	-	32,269,735
Other	110,043,903	16,180	-	110,060,083
Total Sales	1,066,209,218	(36,439,018)	-	1,029,770,200

*Negative amounts are the due to the elimination of the amounts from National Healthcare Program for Oncology in total amount of 66 million RON, following increase in chemotherapy business, for comparative purposes.

Basis for the Consolidated Pro Forma PL

The Consolidated Pro Forma PL for the 6-month period ended June 30, 2023 has been prepared starting from the Consolidated PL of the Group as of June 30, 2023.

The Consolidated Pro Forma PL was prepared in a manner consistent with the accounting policies adopted by the Group in the Consolidated FS as of June 30, 2023.

The Consolidated Pro Forma PL for the 6 months ended June 30, 2023 gives effect to the acquisitions of the Acquired Companies as if the acquisitions had occurred on 1 January 2023.

Also, certain expense items incurred by the Group in the relevant period which are considered to be non-operational and non-recurring by nature as detailed in the notes to the tables, are reflected in the Consolidated Pro Forma PL as one-off adjustments, based on management judgment for the Group, without taking into account the Acquired Companies.

Consolidated Pro Forma PL adjustments

Normalization adjustments

Normalization adjustments are made to include the financial results of the Acquired Companies in the Group results for the relevant period.

The adjustments represent the unaudited Income Statement items for the portion of the relevant period prior to and including the month of acquisition of the companies.

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

Entity	Date of obtaining control	Months included in Normalization (inclusive) 1 January – 30 June 2023
Nord Group	April 2023	January – March 2023
Muntenia Hospital	February 2023	January 2023
Policlinica Sf. Ilie SRL	March 2023	January – February 2023
Policlinica Union SRL	July 2023	January – June 2023

One off adjustment

One-off adjustments represent expenses which have been included in the Group’s Consolidated PL but which, in the Group’s opinion, represent non-recurring and/or non-operational expenses by nature.

These expenses relate to costs incurred in relation to the acquisition of the Acquired Companies which were expensed rather than capitalized as part of the acquisition cost of the company, including also the costs of aborted or continuing acquisition processes, as well as other one-off expenses related both to as is business and acquired companies.

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

Type of Expense	Amount for H1 2023	Note
Cost of Acquisitions	1,260,702	Note A
Other costs	9,479,705	Note B
Total	10,740,407	

Note A

Cost of Acquisitions includes the expenses incurred in respect of external due diligence reports on target companies covering financial, taxation and legal due diligence. The external costs of aborted acquisitions are also included, as well as annual mandatory goodwill impairment reports.

These expenses are considered non-recurrent and non-operational, as they do not relate to the operational business of the Group.

Note B

Includes other expenses considered non-recurring, such as consultancy fees and expenses with opening of three large units.

25. IMPORTANT EVENTS

Acquisitions

Completion of the acquisition of Muntenia Hospital

On 10 January 2023, MedLife Group announced the completion of the transaction to take over 99.76% of Muntenia Hospital shares, the largest hospital in Arges county, after the approval of the Competition Council. Thus, the leader of the private medical services market in Romania consolidates its medical expertise in the hospital area and reaches a network of 12 hospitals nationwide.

Completion of the acquisition of Nord Group (formerly Provita)

On 30 March 2023, MedLife announced the completion of the acquisition of a 51% stake in Nord Group (formerly Provita) after receiving approval from the Competition Council. The announcement comes five months after the new partnership was finalized.

In its 11 years of activity in the private medical services market, Nord Group has been particularly successful in Bucharest, where it is present through a multidisciplinary hospital, 5 clinics, two state-of-the-art imaging centers, a laboratory for processing a wide range of medical analyses and tests, as well as the only pain therapy training center in Central and Eastern Europe. At the end of last year, Nord Group expanded outside of the capital by opening a multidisciplinary clinic in Suceava worth 2.5 million euros, which houses an integrated Pain Therapy Center and Breast Center. In the coming months, Nord Group will launch a new private medical hospital in Bucharest.

Acquisition of Sfântul Ilie Polyclinic (acquisition of Sfanta Maria Group)

Present on the local market since 2000, Policlinica Sfântul 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 the 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. In 2022, the company recorded a turnover of 2.8 million lei.

Acquisition of Union Medical Clinic (acquisition of Grup Sfanta Maria)

The Union Medical Clinic has over 10 years of experience on the Cluj market and offers a diverse range of high-quality services, covering 21 medical specialties, including 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 to patients at European standards. The turnover recorded by the Union Medical Clinic in 2022 amounts to 7.6 million lei.

Organic growth

MedLife Deva Hyperclinic

MedLife continued its expansion plans at the national level through organic development with the inauguration, in January 2023, of the largest medical clinic in the Municipality of Deva. The newest hyperclinic in the network of MedLife covers an area of 1,000 square meters and is the result of an investment of approximately EUR 2.7 million.

Corporate events

On 24 March 2023 was published the Convening Notice for the Annual General Meeting of Shareholders (OGMS) scheduled for 27th/28 April 2023. The following items were mainly submitted for approval to MedLife shareholders:

- The audited annual financial statements for the year 2022, at both individual and consolidated levels
- Discharge of liability of the Board of Directors' members
- Budget of revenues and expenses for the year 2023, at both individual and consolidated levels
- Extension of the financial auditor's mandate for a period of 2 years
- Remuneration Report, subject to the consultative vote of shareholders
- Company Remuneration Policy

The items on the agenda were fully approved during the OGMS on 27 April 2023.

26. SUBSEQUENT EVENTS

Corporate events

Conducting the Extraordinary General Meeting of Shareholders

On July 3, 2023, the Extraordinary General Meeting of Shareholders for 3rd/4th August, 2023 was published. Mainly, the following were submitted to the approval of MedLife shareholders:

- Increasing the social capital
- Amendment of the Company's Articles of Incorporation as a result of the Share Capital Increase
- Other items on the agenda

The items on the agenda were fully approved during the AGEA meeting on August 3, 2023.

Mihail Marcu,
CEO

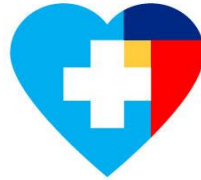
Alina Irinoiu,
CFO

Declaration of management of MedLife Group

We confirm to the best of our knowledge that the Interim Consolidated Financial Statements of MedLife Group for the 6-month period ended June 30, 2023, which were prepared in accordance with the International Financial Reporting Standards as endorsed by the European Union, give a true and fair view of the consolidated financial position of the Group as at June 30, 2023, and of its consolidated financial performance and its consolidated cash flows for the 6 months period then ended.

Mihail Marcu,
CEO

Alina Irinoiu,
CFO



SISTEMUL MEDICAL
MedLife

MED LIFE S.A.

FINANCIAL REPORT 1st SEMESTER 2023

WHICH INCLUDE SIMPLIFIED UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED JUNE 30, 2023

PREPARED IN ACCORDANCE WITH ORDER OF THE MINISTRY OF PUBLIC FINANCE NO.
2844/2016 APPROVING THE ACCOUNTING REGULATIONS COMPLIANT WITH THE
INTERNATIONAL FINANCIAL REPORTING STANDARDS

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 33,217,623

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

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STATEMENT OF UNAUDITED COMPREHENSIVE INCOME	3
STATEMENT OF UNAUDITED CASH FLOWS	4
STATEMENT OF UNAUDITED CHANGES IN EQUITY	5 - 6
NOTES TO THE SIMPLIFIED UNAUDITED INDIVIDUAL FINANCIAL STATEMENTS	7 - 16

	June 30, 2023	January 1, 2023
ASSETS		
Non-current assets		
Intangible assets	15,778,839	14,665,892
Property, plant and equipment	354,447,813	342,815,667
Right-of-use asset	59,731,170	71,911,269
Other financial assets	492,939,306	413,831,251
TOTAL NON-CURRENT ASSETS	922,897,128	843,224,079
Current Assets		
Inventories	13,253,045	12,513,597
Trade receivables	73,744,088	66,525,981
Loans granted to related parties	158,534,257	162,430,816
Other assets	23,116,997	18,251,900
Cash and cash equivalents	5,359,480	15,141,431
Prepayments	2,335,004	2,674,932
TOTAL CURRENT ASSETS	276,342,871	277,538,657
TOTAL ASSETS	1,199,239,999	1,120,762,736
LIABILITIES & SHAREHOLDER'S EQUITY		
Non-current liabilities		
Lease liability	41,825,947	50,184,177
Other long term debt	-	12,651,217
Interest-bearing loans and borrowings	587,347,135	508,264,032
Deferred tax liability	19,052,772	19,052,772
TOTAL NON-CURRENT LIABILITIES	648,225,854	590,152,198
Current Liabilities		
Trade and other payables	142,302,713	122,505,239
Overdraft	9,926,800	9,894,800
Current portion of lease liability	22,029,377	26,229,711
Current portion of interest-bearing loans and borrowings	37,588,414	31,933,045
Loans received from related parties	20,073,928	12,632,124
Current tax liabilities	97,549	980,993
Provisions	3,480,319	3,480,319
Other liabilities	16,978,128	17,677,023
TOTAL CURRENT LIABILITIES	252,477,228	225,333,254
TOTAL LIABILITIES	900,703,082	815,485,452
SHAREHOLDER'S EQUITY		
Share capital and Share premium	83,504,400	83,812,556
Treasury shares	(595,125)	(3,219,221)
Reserves	141,003,106	141,003,106
Retained earnings	74,624,535	83,680,844
TOTAL EQUITY	298,536,916	305,277,285
TOTAL LIABILITIES AND EQUITY	1,199,239,998	1,120,762,736

Mihail Marcu,
CEO

Alina Irinoiu,
CFO

MED LIFE S.A.
 STATEMENT OF UNAUDITED COMPREHENSIVE INCOME
 FOR THE PERIOD ENDED JUNE 30, 2023
 (all amounts are expressed in RON, unless otherwise specified)



	Period ended June 30, 2023	Period ended June 30, 2022
Revenue from contracts with customers	317,739,936	298,295,958
Other operating revenues	2,208,983	1,412,456
Operating Income	319,948,919	299,708,414
Consumable materials and repair materials	(43,840,277)	(42,387,972)
Third party expenses	(119,168,819)	(101,208,036)
Salary and related expenses	(92,217,659)	(83,950,244)
Social contributions	(3,462,075)	(2,971,649)
Depreciation and amortisation	(30,283,088)	(26,180,987)
Impairment losses and gains (including reversals of impairment losses)	(1,002,300)	-
Other operating expenses	(23,641,842)	(23,344,075)
Operating expenses	(313,616,059)	(280,042,964)
Operating Profit	6,332,860	19,665,450
Finance income	4,439,097	2,337,813
Finance cost	(17,430,816)	(8,095,758)
Other financial expenses	(2,397,449)	(702,753)
Financial result	(15,389,168)	(6,460,698)
Result Before Taxes	(9,056,309)	13,204,753
Income tax expense	-	(993,685)
Net Result	(9,056,309)	12,211,068
Other comprehensive income items that will not be reclassified to profit or loss		
TOTAL OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME	(9,056,309)	12,211,068

Mihail Marcu,
CEO

Alina Irinoiu,
CFO

MED LIFE S.A.
STATEMENT OF UNAUDITED CASH FLOWS
FOR THE PERIOD ENDED JUNE 30, 2023
(all amounts are expressed in RON, unless otherwise specified)



	Period ended June 30, 2023	Period ended June 30, 2022
Net profit before taxes	(9,056,309)	13,204,753
Adjustments for		
Depreciation and amortisation	30,283,088	26,180,987
Interest expense	17,430,816	8,095,758
Allowance for doubtful debts and receivables written-off	1,002,300	-
Other non-monetary gains	(1,498,500)	(1,304,298)
Unrealised exchange loss	2,397,449	702,753
Interest revenue	(4,439,097)	(2,337,813)
Operating cash flow before working capital changes	36,119,747	44,542,140
Decrease / (increase) in accounts receivable	(8,646,407)	(7,092,634)
Decrease / (increase) in inventories	(739,448)	(1,371,752)
Decrease / (increase) in prepayments	339,928	(410,901)
Increase / (decrease) in accounts payable	5,031,211	17,477,033
Cash generated from working capital changes	(4,014,716)	8,601,746
Cash generated from operations	32,105,032	53,143,886
Income tax paid	(883,444)	(1,037,629)
Interest received	-	-
Interest paid	(10,922,329)	(6,172,227)
Net cash from operating activities	20,299,259	45,934,030
Purchase of investments	(75,774,118)	(85,438,665)
Purchase of intangible assets	(3,722,497)	(2,634,148)
Purchase of property, plant and equipment	(26,680,977)	(33,363,746)
Loans granted to Group companies	4,223,957	(6,568,679)
Net cash used in investing activities	(101,953,635)	(128,005,238)
Payment of loans	(15,851,650)	(16,416,002)
Lease payments	(13,184,394)	(11,721,228)
Proceeds from loans	93,868,614	93,437,811
Payments for purchase of treasury shares	(401,949)	(6,234,651)
Decrease in loans granted to group companies	7,441,804	6,919
Net cash from financing activities	71,872,425	59,072,849
Net change in cash and cash equivalents	(9,781,951)	(22,998,359)
Cash and cash equivalents beginning of the year	15,141,431	38,629,900
Cash and cash equivalents end of the year	5,359,480	15,631,541

Mihail Marcu,
CEO

Alina Irinoiu,
CFO

MED LIFE S.A.
 STATEMENTS OF UNAUDITED CHANGES IN EQUITY FOR THE PERIOD ENDED JUNE 30, 2023
 (all amounts are expressed in RON, unless otherwise specified)



	Share Capital	Treasury shares	Share premium	General reserves and other reserves	Revaluation Reserve	Accumulated Results	Total Equity
Balance at 1 January 2023	33,217,623	(3,219,221)	50,594,933	34,538,597	106,464,509	83,680,844	305,277,284
Profit/(loss) of the period	-	-	-	-	-	(9,056,309)	(9,056,309)
Total comprehensive income	-	-	-	-	-	(9,056,309)	(9,056,309)
Increase from own shares acquisition	-	(401,948)	-	-	-	-	(401,948)
Net release of own shares used for acquiring additional NCI	-	3,026,045	-	-	-	-	3,026,045
Increase in premiums due to difference between fair value and cost of own shares when the exchange was made	-	-	(308,156)	-	-	-	(308,156)
Balance as at June 30, 2023	33,217,623	(595,125)	50,286,777	34,538,597	106,464,509	74,624,535	298,536,916

Mihail Marcu,
 CEO

Alina Irinoiu,
 CFO

MED LIFE S.A.
 STATEMENTS OF UNAUDITED CHANGES IN EQUITY FOR THE PERIOD ENDED JUNE 30, 2023
 (all amounts are expressed in RON, unless otherwise specified)



	Share Capital	Treasury shares	Share premium	General reserves and other reserves	Revaluation Reserve	Accumulated Results	Total Equity
Balance at January 1, 2022	33,217,623	(4,015,977)	49,177,468	34,538,597	66,588,874	80,073,849	259,580,434
Profit/(loss) of the period	-	-	-	-	-	12,211,068	12,211,068
Total comprehensive income						12,211,068	12,211,068
Increase from own shares acquisition	-	(6,234,573)	-	-	-	-	(6,234,573)
Net release of own shares used for acquiring additional NCI	-	8,684,431	-	-	-	-	8,684,431
Increase in premiums due to difference between fair value and cost of own shares when the exchange was made	-	-	1,417,465	-	-	-	1,417,465
Balance as at June 30, 2022	33,217,623	(1,566,119)	50,594,933	34,538,597	66,588,874	92,284,917	275,658,825

Mihail Marcu,
CEO

Alina Irinoiu,
CFO

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 centres located in Bucharest, Cluj, Braila, Timisoara, Iasi, Galati, Ploiesti, Constanta and Targu Mures.

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. The ultimate parent of the Med Life Group is Med Life SA.

2. ACCOUNTING PRINCIPLES, POLICIES AND METHODS

The accounting policies applied in these simplified unaudited individual financial statements are the same as those applied in the Company's individual financial statements as of and for the financial year ended on December 31, 2022.

This financial report must be read together with the last individual annual financial statements of the Company as of and for the financial year ended on December 31, 2022, which includes all the necessary information for a complete set of financial statements prepared in accordance with International Financial Reporting Standards (IFRS) adopted by the European Union. However, certain explanatory notes are included to explain events and transactions that are significant for understanding the changes in the Company's financial position and performance compared to the last annual financial statements.

3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

3.1 Declaration of Conformity

The individual financial statements ("financial statements") of the Company have been prepared in accordance with the provisions of Ministry of Finance Order no. 2844/2016 approving the accounting regulations compliant with the International Financial Reporting Standards, with all subsequent modifications and clarifications as well as in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union (EU).

The Company also prepares consolidated financial statements in accordance with IFRS as endorsed by the EU, which are available on the Company's website.

The accounting policies applied in these financial statements are the same as those applied in the Company's annual individual financial statements as at and for the year ended 31 December 2022.

The financial year corresponds to the calendar year.

3.2 Basis of preparation

The financial statements of the Company are presented in RON ("Romanian Leu"), using going concern principles. All values are rounded to the nearest two decimals. The financial statements have been prepared on the historical cost basis, except for certain items that have been measured at fair value, such as certain non-current assets and financial instruments, as presented in the notes to the financial statements.

The Company maintains the accounting books in accordance with the Regulations on Accounting and Reporting issued by the Ministry of Finance in Romania.

3.3 Going concern

These 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.

Based on the Company's current financial position and the modelled scenarios, the directors have concluded that the Company has sufficient liquidity to meet all its obligations for at least the twelve months from the date of this report and the directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

3.4 Significant judgements, estimates and assumptions

The preparation of the 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.

When preparing these simplified unaudited individual financial statements, the Company's judgements, estimates and significant assumptions are the same as those applied in the audited individual financial statements as of and for the financial year ended December 31, 2022.

3.5 Foreign currency and translation

Presentation currency

These 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").

The exchange rates as announced by the National Bank of Romania on June 30, 2023 were RON 4.9634 for EUR 1 (December 31, 2022: RON 4.9474 for EUR 1), respectively 1.3371 for HUF 100 (December 31, 2022: RON 1.2354 for 100 HUF).

The average exchange rates for the period of 6 months 2023 were RON 4.9335 for 1 EUR (6 months 2022: RON 4,9455 for 1 EUR), respectively RON 1.2965 for 100 HUF (63 months 2022: RON 1.3206 for 100 HUF).

Translation of foreign currencies

Transactions in foreign currencies are translated to the respective functional currency of the Company at the exchange rate ruling at the time of the transaction. Foreign currency monetary assets and liabilities are retranslated into the functional currency at rates of exchange ruling at the reporting date. The foreign exchange differences arising on these translations are recognised as other financial income/expense in the income statement.

4. FINANCIAL ASSETS

The Company holds significant investments in other companies.

Carrying amount	June 30 2023	January, 1 2023
Cost of investments in other companies	477,378,157	398,886,091
Long-term loans granted to group companies	13,435,584	13,129,180
Other financial assets	2,125,565	1,815,980
TOTAL	492,939,306	413,831,251

The following table includes the list of Med Life subsidiaries as well as entities that are indirectly controlled, as follows:

No.	Entity	Main activity	Location	30 June 2023	1 January 2023
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 SA	Development of building projects	Bucharest, Romania	100%	100%
6	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	Med Life Broker de Asigurare si Reasigurare SRL	Insurance broker	Bucharest, 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 SA (indirect)*	Medical Services	Brasov, Romania	83%	83%
15	Biotest Med SRL	Medical Services	Bucharest, 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%	92%
19	Diamed Center SRL	Medical Services	Bucharest, 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 healthcare	Bucharest, Romania	65%	60%
23	Green Dental Clinic SRL (indirect)*	Dental healthcare	Bucharest, Romania	33.2%	31%
24	Dentist 4 Kids SRL (indirect)*	Dental healthcare	Bucharest, Romania	65%	60%
25	Dent A Porter SRL (indirect)*	Dental healthcare	Bucharest, Romania	33.5%	31%
26	Dentestet Kids SRL (indirect)*	Dental healthcare	Bucharest, Romania	34.4%	32%
27	Aspen Laborator Dentar SRL (indirect)*	Dental healthcare	Bucharest, Romania	48.8%	45%
28	Centrul Medical Panduri SA	Medical Services	Bucharest, Romania	100%	100%
29	Almina Trading SA	Medical Services	Targoviste, Romania	90%	90%
30	Anima Specialty Medical Services SRL	Medical Services	Bucharest, Romania	100%	100%
31	Anima Promovare si Vanzari SRL (indirect)*	Medical Services	Bucharest, 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%

No.	Entity	Main activity	Location	30 June 2023	1 January 2023
36	Ghencea Medical Center SA	Medical Services	Bucharest, Romania	100%	100%
37	Sfatul medicului SRL	Medical Platform	Bucharest, Romania	100%	100%
38	RMC Dentart (indirect)*	Dental healthcare	Budapesta, Ungaria	81.3%	81.3%
39	RMC Medical (indirect)*	Medical Services	Budapesta, Ungaria	81.3%	81.3%
40	RMC Medlife	Holding	Budapesta, Ungaria	81.3%	81.3%
41	Badea Medical SRL	Medical Services	Cluj, Romania	65%	65%
42	Oncoteam Diagnostic SA	Medical Services	Bucharest, Romania	79%	79%
43	Centrul medical Micromedica SRL	Medical Services	Piatra Neamt, Romania	100%	100%
44	Micromedica Targu Neamt SRL (indirect)*	Medical Services	Targu Neamt, Romania	100%	100%
45	Micromedica Bacau 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	Bucharest, Romania	100%	100%
51	Pharmachem Distributie SRL	Distribution of Pharmaceutical Products	Bucharest, Romania	75%	75%
52	CED Pharma SRL (indirect)*	Distribution of Pharmaceutical Products in specialised stores	Bucharest, Romania	100%	100%
53	Leti Pharm 2000 SRL (indirect)*	Distribution of Pharmaceutical Products in specialised stores	Bucharest, Romania	100%	100%
54	Monix Pharm SRL (indirect)*	Distribution of Pharmaceutical Products in specialised stores	Bucharest, Romania	100%	100%
55	KronDent SRL (indirect)*	Dental healthcare	Brasov, Romania	39%	36%
56	Medica SA	Medical Services	Sibiu, Romania	60%	60%
57	Dent Estet Ploiesti SRL (indirect)*	Dental healthcare	Ploiesti, Romania	33.2%	30.6%
58	The Lab Stomestet SRL (indirect)*	Dental healthcare	Cluj, Romania	39%	36%
59	Stomestet SRL (indirect)*	Dental healthcare	Cluj, Romania	39%	36%
60	Stomestet Plus SRL (indirect)*	Dental healthcare	Cluj, Romania	39%	36%
61	Costea Digital Dental SRL (indirect)*	Dental healthcare	Oradea, Romania	38%	36%
62	Expert Med Centrul Medical Irina (indirect)*	Medical Services	Galati, Romania	76%	76%
63	MNT Healthcare Europe SRL	Medical Services	Ilfov, Romania	50%	50%
64	MNT Asset Management SRL (indirect)*	Holding	Bucharest, Romania	50%	50%
65	Clinica Life-Med SRL (indirect)*	Medical Services	Bucharest, Romania	100%	100%
66	Pro Life Clinics SRL (indirect)*	Medical Services	Iasi, Romania	60%	60%
67	Onco Card SRL (indirect)*	Medical Services	Brasov, Romania	83%	83%
68	Onco Card Invest SRL (indirect)*	Holding	Brasov, Romania	83%	83%
69	Tomorad Expert SRL (indirect)*	Medical Services	Sfantu Gheorghe, Romania	66.4%	66.4%
70	IT Repair SRL (indirect)*	Medical Services	Targu Mures, Romania	49.8%	49.8%

No.	Entity	Main activity	Location	30 June 2023	1 January 2023
71	Medici's SRL	Medical Services	Timisoara, Romania	80%	80%
72	Micro-Medic SRL	Medical Services	Timisoara, Romania	80%	80%
73	Sweat Concept One SRL	Wellness	Bucharest, 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	80%	80%
80	Dent Estet Genesys SRL (indirect)*	Medical Services	Arad, Romania	73.8%	71.3%
81	Aspire Dental SRL (indirect)*	Dental healthcare	Bucharest, Romania	65%	60%
82	Sanopass SA	Medical Platform	Targoviste, Romania	62.5%	51%
83	Muntenia Medical Competences S.A. *	Medical Services	Pitesti, Romania	79.8%	0%
84	Bios Diagnostic Medical Services SRL *	Medical Services	Bucharest, Romania	51%	0%
85	Centrul de Diagnostic si Tratament Provita S.A.	Medical Services	Bucharest, Romania	51%	0%
86	Medical City Blue SRL *	Medical Services	Bucharest, Romania	51%	0%
87	Laborator Cuza Voda SRL *	Medical Services	Bucharest, Romania	51%	0%
88	Provita Pain Clinic SA *	Medical Services	Suceava, Romania	35.7%	0%
89	Policlinica Sf. Ilie SRL *	Medical Services	Craiova, Romania	100%	0%
90	Policlinica Union SRL*	Medical Services	Cluj, Romania	51%	0%

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

**The ownership held in Dent Estet Clinic SA has increased with 5%, from 60% to 65% as of January 2023.

Long-term loans granted to other Group companies

As of June 30, 2023, the Company presents long-term loans granted to Bahtco Invest SA and Medlife Ocupational SRL.

Other financial assets

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

5. INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

	June 30 2023	January, 1 2023
Gross book value	624,713,574	594,522,690
Accumulated depreciation	(254,486,922)	(237,041,133)
Net book value	370,226,652	357,481,557

6. INVENTORIES

	June 30 2023	January, 1 2023
Consumables	12,847,533	12,174,959
Materials in the form of inventory items	404,893	337,718
Inventory in transit	619	920
TOTAL	13,253,045	12,513,597

7. TRADE RECEIVABLES

	June 30 2023	January, 1 2023
Customers	102,058,796	93,838,389
Advances to suppliers	-	-
Allowance for bad debt	(28,314,708)	(27,312,408)
TOTAL	73,744,088	66,525,981

Credit risk for MedLife primarily relates to trade receivables in the ordinary course of business. Customers' compliance with agreed credit terms is monitored regularly and closely. Where payments are delayed by customers, steps are taken to restrict access to services or contracts are terminated.

Certain customers, which are public or quasi-public institutions, or subsidiaries of MedLife, may have longer payment terms and services may continue to be delivered when amounts are overdue, based on management's assessment of a lower credit risk.

The average receivable period for the services offered is 95 days. There is no interest on commercial receivables within the first 95 days from the date of issue of the invoice, which also represents the average contractual term.

The carrying amount of financial assets, measured at amortised cost, represents the maximum credit exposure. There are no credit enhancements or collateral held that would offset such amounts. As the customer base of the Company is very diverse, there are generally no large concentrations of credit risk.

8. CASH AND CASH EQUIVALENTS

	June 30 2023	January, 1 2023
Cash in bank	3,864,899	14,149,971
Cash in hand	872,710	556,456
Cash equivalents	621,871	435,004
TOTAL	5,359,480	15,141,431

9. PREPAYMENTS

As of June 30, 2023 the Company has prepayments in amount of RON 2,335,004 (RON 2,674,932 as of January 1, 2023). The prepayments balance as of June 30, 2023 consists mainly of deferred commissions for financing related to the Club loan for undrawn facilities and amounts such as insurance policies for professionals and tangible assets.

10. TRADE AND OTHER PAYABLE

	June 30 2023	January, 1 2023
Suppliers	118,110,306	105,588,173
Fixed assets suppliers	20,078,778	14,431,608
Contract liability	4,113,629	2,485,458
TOTAL	142,302,713	122,505,239

11. OTHER LIABILITIES

	June 30 2023	January, 1 2023
Salary and related liabilities (incl. contributions)	13,047,845	13,672,405
Other liabilities	3,930,283	4,004,618
TOTAL	16,978,128	17,677,023

12. LEASES

	June 30 2023	January, 1 2023
Non-current portion of lease liability	41,825,947	50,184,177
Current portion of lease liability	22,029,377	26,229,711
TOTAL	63,855,324	76,413,888

13. FINANCIAL DEBT

	June 30 2023	January, 1 2023
Current portion of interest-bearing loans and borrowings	37,588,414	31,933,045
Non-current portion of interest-bearing loans and borrowings	587,347,135	508,264,032
TOTAL	624,935,549	540,197,077

As at June 30, 2023, the Company's drawn and undrawn financing facilities also included the following:
 - a guaranteed overdraft facility between Garanti Bank S.A. and Med Life S.A., the amount drawn on June 30, 2023, is of RON 9,926,800;

The closing balance of the syndicated loan is 620,361,637 RON as of June 30th, 2023.

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

As at June 30, 2023 the Company was not in breach of any applicable term of the financing facilities.

14. SHARE CAPITAL AND SHARE PREMIUM

The issued share capital in nominal terms consists of 132,870,492 ordinary shares as at 30 June 2023 (1 January 2023: 132,870,492) with a nominal value of RON 0.25 per share. The holders of ordinary shares are entitled to one vote per share in the shareholders' meetings of the Company, except for the treasury shares bought back by the Company as part of the share buy-back program. All shares rank equally and confer equal rights to the net assets of the Company, except for treasury shares.

	June 30, 2023	January 1, 2023
Share capital	33,217,623	33,217,623
Share premium	50,286,777	50,594,933
TOTAL	83,504,400	83,812,556

	Number of shares	%	Value
Legal entities	72,393,574	54.48%	18,098,394
Marcu Mihail	19,932,307	15.00%	4,983,077
Cristescu Mihaela Gabriela	18,660,690	14.04%	4,665,173
Marcu Nicolae	13,835,400	10.41%	3,458,850
Others	8,048,521	6.06%	2,012,130
TOTAL	132,870,492	100.00%	33,217,623

15. RESERVES

The structure of the Company's reserves is presented below:

	June 30 2023	January, 1 2023
General reserves	6,643,525	6,643,525
Other reserves	27,895,072	27,895,072
Revaluation reserves	106,464,509	106,464,509
TOTAL	141,003,106	141,003,106

16. REVENUE FROM CONTRACTS WITH CUSTOMERS

Turnover for the 6 months period ended June 30, 2023 was RON 317,739,936 (6 months ended June 30, 2022: RON 298,295,958) and consists of medical services, including revenues from prevention packages of corporate customers and fees for services rendered within Med Life's clinics and various hospitals within Romania. The Company's revenues are generated in Romania.

17. OTHER OPERATING REVENUES

	6 months 2023	6 months 2022
Other operating revenues	710,483	108,158
Capitalized cost of intangible assets	1,498,500	1,304,298
TOTAL	2,208,983	1,412,456

18. OTHER OPERATING EXPENSES

	6 months 2023	6 months 2022
Utilities	4,419,304	4,373,183
Repairs maintenance	2,423,076	2,875,114
Rent	2,059,733	3,084,395
Insurance premiums	1,167,675	1,192,354
Promotion expense	8,178,102	6,953,127
Communications	1,249,567	1,084,927
Other administration and operating expenses	4,144,385	3,780,975
TOTAL	23,641,842	23,344,075

19. FINANCIAL NET RESULT

	6 months 2023	6 months 2022
Loss from foreign exchange rate impact	(2,397,449)	(702,753)
Finance cost	(16,214,238)	(7,225,262)
Bank commissions	(1,216,578)	(870,496)
Interest income	4,439,097	2,337,813
FINANCIAL NET LOSS	(15,389,168)	(6,460,698)

20. FINANCIAL ANALYSIS

Analysis of the Profit and Loss Statement

Sales for the 6-month period ended on June 30, 2023, amounted to 317,739,936 RON, an increase of 6.5% compared to sales recorded in the first 6 months of 2022. The variation in sales is due to the price increase carried out at the end of 2022 and also to increase in volumes.

Other operating revenues showed a growth of 56.4% in the first 6 months of 2023 compared to the same period in 2022, reaching 2,208,983 RON as of June 30, 2023.

Operating expenses include fixed and variable costs, as well as the cost of goods sold and materials used in providing medical services. Med Life S.A. recorded operating expenses of 313,616,059 RON in the first 6 months of 2023, representing a 12% increase or 33,573,096 RON, compared to the first 6 months of 2022. The most significant variation is due to the rise in third-party expenses, amounting to 17,960,783 lei. These expenses pertain to services provided by collaborating doctors, services offered by entities within the group, etc.

Operating profit experienced a decline of 67.8% in the first 6 months of 2023 compared to the same period in 2022, dropping from 19,665,450 RON in the first 6 months of 2022 to 6,332,860 RON in the first 6 months of 2023. Financial loss increased in the first 6 months of 2023 by 8,928,470 RON, rising from 6,460,698 RON in the same period of 2022 to 15,389,168 RON in the first 6 months of 2023. This increase was primarily driven by the financing cost, considering the expansion of the approved additional credit limit in December 2022 and the movement in interest rates.

Consequently, the net result dropped by 21,267,376 RON in the first 6 months of 2023, changing from a profit of 12,211,068 RON in the first 6 months of 2022 to a loss of 9,056,309 RON in the first 6 months of 2023.

Analysis of Balance Sheet Accounts

Fixed assets amounted to 922,897,128 RON as of June 30, 2023, marking a 9.4% increase compared to January 1, 2023. This variation is due to the growth of other financial assets, reflecting the new investment in acquired companies.

Current assets did not exhibit significant changes as of June 30, 2023, compared to January 1, 2023.

Current liabilities (excluding interest-bearing liabilities) increased by 25,656,939 RON, or 16.3%, from 157,275,698 RON on January 1, 2023, to 182,932,637 RON on June 30, 2023. This increase is mainly influenced by the rise in trade payables.

Interest-bearing liabilities increased by 72,211,908 RON, rising from 626,505,765 RON on January 1, 2023, to 698,717,673 RON on June 30, 2023. This growth is due to the loan withdrawals made to finance company acquisitions and investments in medical equipment.

21. MAIN FINANCIAL RATIOS PERIOD ENDED AT JUNE 30, 2023

Current ratio	Period ended at June 30, 2023	
Current assets	276,342,871	= 1.09
Current liabilities	252,477,228	

Debt to equity ratio	Period ended at June 30, 2023	
Long Term Debt	629,173,082	= 211%
Equity	298,536,916	
Long Term Debt	629,173,082	= 68%
Capital Assets	927,709,998	

Trade receivables turnover (days)	Period ended at June 30, 2023	
Average receivables	70,135,035	= 39.73
Sales	317,739,936	

Fixed assets turnover	Period ended at June 30, 2023	
Sales	317,739,936	= 0.34
Net Fixed Assets	922,897,128	

22. EBITDA EVOLUTION

	Period ended June 30, 2023	Period ended June 30, 2022	Variation 2023/2022
Revenue from contracts with customers	317,739,936	298,295,958	6.5%
Other operating revenues	2,208,983	1,412,456	56.4%
Operating Income	319,948,919	299,708,414	6.8%
Operating expenses	(313,616,059)	(280,042,964)	12.0%
Operating Profit	6,332,860	19,665,450	-67.8%
EBITDA	36,615,947	45,846,438	-20.1%
Finance cost	(17,430,816)	(8,095,758)	115.3%
Other financial expenses	(2,397,449)	(702,753)	241.2%
Finance income	4,439,097	2,337,813	89.9%
Financial result	(15,389,168)	(6,460,698)	138.2%
Result Before Taxes	(9,056,309)	13,204,753	-168.6%
Income tax expense	-	(993,685)	-100.0%
Net Result	(9,056,309)	12,211,068	-174.2%

23. IMPORTANT EVENTS

Acquisitions

Completion of the acquisition of Nord Group (formerly Provita)

On 30 March 2023, MedLife announced the completion of the acquisition of a 51% stake in Nord Group (formerly Provita) after receiving approval from the Competition Council. The announcement comes five months after the new partnership was finalized.

In its 11 years of activity in the private medical services market, Nord Group has been particularly successful in Bucharest, where it is present through a multidisciplinary hospital, 5 clinics, two state-of-the-art imaging centers, a laboratory for processing a wide range of medical analyses and tests, as well as the only pain therapy training center in Central and Eastern Europe. At the end of last year, Nord Group expanded outside of the capital by opening a multidisciplinary clinic in Suceava worth 2.5 million euros, which houses an integrated Pain Therapy Center and Breast Center. In the coming months, Nord Group will launch a new private medical hospital in Bucharest.

Corporate events

Convening of Annual GMS

On 24 March 2023 was published the Convening Notice for the Annual General Meeting of Shareholders (OGMS) scheduled for 27th/28 April 2023. The following items were mainly submitted for approval to MedLife shareholders:

- The audited annual financial statements for the year 2022, at both individual and consolidated levels
- Discharge of liability of the Board of Directors' members
- Budget of revenues and expenses for the year 2023, at both individual and consolidated levels
- Extension of the financial auditor's mandate for a period of 2 years
- Remuneration Report, subject to the consultative vote of shareholders
- Company Remuneration Policy

The items on the agenda were fully approved during the OGMS on 27 April 2023.

24. IMPORTANT SUBSEQUENT EVENTS

Corporate events

Conducting the Extraordinary General Meeting of Shareholders

On July 3, 2023, the Extraordinary General Meeting of Shareholders for 3rd/4th August, 2023 was published. Mainly, the following were submitted to the approval of MedLife shareholders:

- Increasing the social capital
- Amendment of the Company's Articles of Incorporation as a result of the Share Capital Increase
- Other items on the agenda

The items on the agenda were fully approved during the AGEA meeting on August 3, 2023.

Mihail Marcu,
CEO

Alina Irinoiu,
CFO

Declaration of management of Med Life SA

We confirm to the best of our knowledge that the Interim Separate Financial Statements of Med Life SA (the Company) for the 6-month period ended June 30, 2023, which were prepared in accordance with the Order of the Minister of Public Finance no. 2844/2016, approving the accounting regulations compliant with the International Financial Reporting Standards, with all subsequent modifications and clarifications, give a true and fair view of the financial position of the Company as at June 30, 2023, and of its financial performance and its cash flows for the 6 months period then ended.

Mihail Marcu,
CEO

Alina Irinoiu,
CFO