

**MINUTES OF THE ANNUAL MEETING
OF STOCKHOLDERS OF
MEDILINES DISTRIBUTORS INCORPORATED
via Virtual Meeting Room
Monday, 03 June 2024 at 10:00 a.m.**

Number of shares held by shareholders:

Present in Person or Represented by Proxy and Participant Brokers in the Virtual Meeting Room	- 2,085,534,800
Number of Total Outstanding Shares	- 2,746,575,800

Incumbent Directors Present:

Mr. Virgilio B. Villar	Chairman
Mrs. Maria Patricia Dolor V. Yambing	Director, President and CEO
Mrs. Maria Theresa V. Villar	Director
Mr. Norman K. Macapagal	Director
Atty. Luis Angel G. Aseoche	Director
Mr. Brian N. Edang	Independent Director
Mr. Fernando Sixto V. Segovia	Independent Director

Executive Officers Present:

Mr. Daniel C. Zulueta	Corporate Secretary
Mrs. Maria Carmela D. Ochoa	Chief Finance Officer / Investor Relations Officer

I. CALL TO ORDER

The Chairman, Mr. Virgilio B. Villar, called the meeting to order and introduced the members of the board and executive officers who are also joining the meeting.

II. CERTIFICATION OF NOTICE OF QUORUM

Mr. Daniel C. Zulueta, the Company's Corporate Secretary, announced that the notices for the meeting were distributed to the stockholders through the following:

- a) the notice of the meeting was published in the Manila Times and Business Mirror, both in print and online format, for two (2) consecutive days in 13 May 2024 and 14 May 2024;
- b) the notice of the meeting was disclosed to the Philippine Stock Exchange (PSE) via PSE EDGE portal; and
- c) the notice of the meeting was uploaded in the Company's website.

Mr. Zulueta reported that out of the 2,746,575,800 shares of stock outstanding and entitled to vote, 2,085,534,800 shares or 75.93% were represented at the meeting by stockholders participating remotely or in absentia and by proxy. The Corporate Secretary then certified the existence of quorum for the transaction of the business. He recorded the minutes of the proceedings.

III. PRESENTATION AND ADOPTION OF THE PRESIDENT’S REPORT AND ANNUAL REPORT AND APPROVAL OF THE AUDITED FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

The Chairman of the Meeting then gave the floor to the President of the Company, Mrs. Maria Patricia Dolor V. Yambing, for the latter’s report on the overview of the Company’s result of operation for 2023.

The President reported the following:

Medilines recorded revenues of Php 680 million in full year 2023 versus last year’s actual sales of almost Php 2 billion. This decline evidently shows the project-based nature of a significant portion of Medilines’ business and the challenges that come from dealing with project-based sales—from forecasting to the timing of implementation. Majority of the 65% decline versus last year was attributed to the non-readiness of sites where the medical devices would be placed. Out of the Company’s Php 2 billion sales target for 2023, around Php 1 billion was pushed forward to 2024, which includes around Php 400 million worth of projects that were invoiced during Q1 of 2024 and another Php 400 million worth of projects still waiting for site-readiness, but which already have issued purchase orders. Among its received purchase orders is a cathlab project in Philippine General Hospital, the first installation of its kind in Asia. This project held public bidding last November 2022, was awarded to Medilines last November 2023, and is scheduled for installation only this August 2024. Due to these kinds of infrastructure and other project-related delays, Medilines started the year 2024 with Php 1 billion worth of ongoing purchase orders.

As a direct effect of the Company’s decline in revenues, Medilines’ core net income after tax closed at Php86M.

Medilines specializes in three product categories: Cancer Therapy, Diagnostic Imaging, and Dialysis. We further divided the Dialysis segment into machine and consumables, with machine represented by a lighter shade of green while consumables.

The Cancer Therapy business of Medilines is 100% project based. Projects entail, first and foremost, the readiness of infrastructure, which naturally experiences delays in budgeting, planning, preparation, and finishing. The Company’s Cancer Therapy Division, which used to contribute around 60% of total revenue and more than Php1B in sales in previous years, contributed only 18% in total revenue in 2023 with Php125M sales. A few projects which were forecasted to have undergone bidding within 2023 were postponed due to DOH mandate that facility is 100% ready before purchase of the equipment.

The Diagnostic Imaging business of Medilines is partly project-based. This means that some installations, like MRIs and Cathlabs, require the readiness of infrastructure; while some installations, like ultrasound machines, are merely plugged and played. The Company’s Diagnostic Imaging Division, which used to contribute around 20% of total revenue and more than Php300M in sales in previous years, contributed only 10% in total revenue in 2023 with Php71M sales. The cathlab project for Philippine General Hospital and the Robotic C-Arm project for Lung Center of the Philippines, originally forecasted for 2023, unfortunately experienced delays and are now expected for completion within 2024.

Of the three product categories of Medilines, the Dialysis business has a steadier flow of revenues. Dialysis machines are plug-and-play devices and do not usually require a rigorous process of site readiness. Moreover, the Dialysis Category includes the sales of consumables which naturally have higher sales turnover. The Company’s Dialysis Division has been growing steadily with a CAGR of 27% from 2020 to 2023. In 2023, it posted Php484M in revenues. The Company’s Dialysis business has the highest margins among the three product divisions. Because of Dialysis business’ high contribution to total revenues last 2023, the Company’s total net income in terms of percentage increased to 11% from 10% in the previous year.

The Company looks to the dialysis business to drive its future growth and to offset the challenges of timing and forecasting project-based revenues.

Medilines is still one of the top distributors of world-class medical equipment nationwide. The Company has installed medical devices in all regions in the Philippines, except MIMAROPA – that's 16 out of 17 regions. The Company has served more than 100 hospitals to date.

Medilines continues to expand its nationwide presence through ongoing and awarded projects from Luzon to Mindanao.

As of December 31, 2023, the Company has completed the linear accelerator projects for Western Visayas Medical Center in Iloilo City and Region 1 Medical Center in Pangasinan.

Meanwhile, as of the same period, the Company has completed the following projects for Diagnostic Imaging: An MRI project in San Lazaro, an ultrasound installation in Cotabato Regional Medical Center, and an ultrasound installation in Binan Doctors, a private hospital in Southern Tagalog.

As of December 31, 2023, Medilines has set up 10 dialysis centers in the following hospitals:

- Dr. Jose N. Rodriguez Memorial Hospital & Sanitarium (Caloocan)
- East Avenue Medical Center (Quezon City)
- Mariano Marcos Memorial Hospital & Medical Center (Ilocos Norte)
- Culion Sanitarium and General Hospital (Palawan)
- Apalit Dialysis Treatment Center (Pampanga City)
- Southern Tagalog Regional Hospital (Bacoor City, Cavite)
- Western Visayas Sanitarium Hospital in Iloilo City (Iloilo City)
- Gov Celestino Gallares Memorial Medical Center (Bohol)
- Mayor Hilarion A. Ramiro Senior Medical Center (Misamis Occidental)
- Caraga Regional Hospital (Surigao del Norte)

The following are the Company's ongoing projects, which are expected to be completed within 2024.

For Cancer Therapy we have the following ongoing projects:

- Linear Accelerator Project in East Avenue Medical Center (Quezon City)
- Linear Accelerator Project in Philippine General Hospital (Manila City)
- Cyclotron Project in Southern Philippines Medical Center (Davao City)
- Cyclotron Project in Vicente Sotto Medical Center (Cebu City)

For Diagnostic and Advanced Imaging we have the following ongoing projects:

- Robotic C-Arm Project in Lung Center of the Philippines (Quezon City)
- Ultrasound Installation in Maranao Cardiovascular Diagnostic Center (Marawi City)
- Cathlab Project in Philippine General Hospital (Manila City)
- Ultrasound Installation in Philippine General Hospital (Manila City)
- C-ARM Installation in University of the East Ramon Magsaysay Memorial Medical Center or UERM (Quezon City)
- MRI Project in Batanes General Hospital (Batanes)
- MRI Project in Medcor Dasmarinas Hospital and Medical Center (Cavite City)
- Ultrasound Installations in Cotabato Regional Medical Center (Cotabato)

Our ongoing projects for Cancer Therapy and Diagnostic Imaging is around Php 500M in total and span across various provinces in the Philippines. These are separate from the Php 400M worth of Diagnostic Imaging project that has already been completed and invoiced in Q1. More biddings are ongoing and are in line for additional projects.

After completing the setup of 10 dialysis centers last 2023, the setup of another 10 dialysis centers is ongoing and is expected to be completed within 2024. These are:

- Amang Rodriguez Memorial Medical Center (Marikina City)
- Salvacion Oppus Yniguez Memorial Provincial Hospital (Southern Leyte)
- Cotabato Provincial Hospital (Cotabato)
- Gov. Benjamin T. Romualdez Gen. Hosp & Schistosomiasis Center (Leyte)
- Apalit Dialysis Treatment Center (Pampanga City)
- San Joaquin Dialysis Center (2 sets of installations) (Iloilo City)
- Sorsogon Provincial Hospital (2 sets of installations) (Sorsogon)
- Quirino Province Medical Center (Quirino)

Moreover, one additional project in the pipeline, a dialysis center in Marikina City Health Office, has already undergone bidding and has been awarded to Medilines, also for completion within 2024.

Our ongoing Dialysis Center site completion totals around Php 250M and spans across various provinces in the Philippines. More biddings are ongoing and are in line for additional business for our dialysis machines. All dialysis center site completion sales and dialysis machine sales are separate from revenues from the dialysis consumables business.

As of December 31, 2023, the Company's Accounts Receivables increased due to new dialysis projects.

The six percent (6%) increase in Property, Plant, and Equipment is attributable to investments made by the Company for Dialysis machines and systems which will be used for project tie-ups. Project tie-ups are projects wherein the supplier initially invests in machines. This investment is monetized by being the sole provider of dialysis consumables in the hospital where the machines would be deployed.

The increase in interest-bearing loans is primarily due to working capital and funding of the Company's dialysis center projects, which started at the latter part of 2023 and will be concluded in 2024.

The decrease in total assets is mainly driven by the recognition of contract assets of several Linear Accelerator Projects in 2022 while only minimal were recognized in 2023.

The 236M decrease in liabilities is attributable to supplier payments made in 2023.

Equity increase is mainly due to the net income recognized for the year 2023.

Gross Profit margin improved to 36% because 71% or majority of the Company's sales were driven by the Dialysis business, which has an average profit margin of 30% to 40%.

The Company continues to have a strong current ratio, which continues to increase from 1.94 in 2021 to 2.15 in 2023. This means the company has the financial resources to remain solvent in the short term.

The Company remains to have a low Debt-to-Equity ratio making it low-risk and a better investment. The Company's Debt-to-Equity ratios in the recent years show a striking improvement from the years before the Company went public when the Company's Debt-to-Equity ratios were 2.4 and 3.7 in 2019 and 2020 respectively.

Medilines continues to partner with principals that are world leading brands and top tier in terms of quality within their product categories.

The Company continues to partner with Varian Medical Systems for its Cancer Therapy line; Varian being the worldwide leading manufacturer of high-tech linear accelerators from USA. Medilines has been partners with Varian since 2016.

The Company continues to partner with Siemens Healthineers for its Diagnostic Imaging line; Siemens being a worldwide leading manufacturer of state-of-the-art diagnostic imaging equipment from Germany. Medilines has been partners with Siemens Healthineers since 2018.

Finally, Medilines continues to partner with B. Braun Avitum for its Dialysis line; B. Braun Avitum being a worldwide leading manufacturer of dialysis equipment and devices, also from Germany. Medilines has been partners with B. Braun Avitum since 2002.

Medilines participated in two conventions last 2023. The first being Medical Taiwan 2023 which was held in Taipei Nangang Exhibition Center last June 8-10 and organized by Taiwan External Trade Development Council (TAITRA). The convention aims to help all companies in the medical and healthcare industry expand their markets and bring in cross-border business opportunities. Medilines attends these medical conventions regularly to keep us up to date with new products and technologies in the world of healthcare and to find opportunities for partnership, growth and expansion.

Medilines also participated in Kidney Week 2023 which was held in the Pennsylvania Convention Center in Philadelphia last November 2-5 and organized by the American Society of Nephrology (ASN). Whenever possible, Medilines attends this annual meeting and scientific exposition, featuring advances in treatment, research, and technology in the fight against kidney disease to keep us up to date with research and developments in Dialysis and related treatments.

The Company also had a couple of CSR activities in the form of antigen test kit donations to Philippine Red Cross to support their continued commitment to the “Bayanihan Heal as One Act” and fight against covid. Antigen test kits and gloves were also donated to Pasig City Hall.

In 2023, Medilines completed the setting up of 10 dialysis centers nationwide and will install many more this year. Shown here is the inauguration and blessing of one of Medilines' completed dialysis centers – West Visayas State University Medical Center Dialysis Center last April 4, 2024. The event was attended by Medilines General Manager Dan Zulueta, Medical Center Chief President Dr. Villafuerte, among others. More dialysis centers are currently being set-up by Medilines nationwide, for completion within 2024.

Last April 19, 2024 was the inauguration of Siemens Somatom XCEED CT Scan and Siemens Magnetom Lumina 3-Tesla MRI machines in PCMC. Both are state-of-the-art equipment installations that aim to transform the diagnostic experience for pediatric patients in the country. This MRI called Siemens MAGNETOM Lumina 3-Tesla, in particular, boasts to be the first installation of its kind here in the Philippines and in Asia. Both machines are part of Siemens Healthineers' trendsetting solutions to address the specific challenges of diagnosing children. The event was attended by Medilines Chairman Mr. Virgilio Villar, Siemens Healthineers President Michael Schmermer, among others, and was graced by the presence of Senators Bong Go and Pia Cayetano, the chair and vice chair of the Senate Committee on Health respectively.

One of Medilines' latest significant undertaking is the installation of Siemens Artis Icono, the first ever installation of this high-tech machine in the whole of the ASEAN region. Siemens Artis Icono is Siemens Healthineers' latest and most technologically advanced interventional imaging equipment used for image-guided minimally invasive therapy. ARTIS Icono is an intelligent system with intuitive interface that supports a wide range of procedures, which means that hospitals can maximize space and budget, as what was previously dominated by Cardiology can now be shared with various other disciplines such as Radiology, Neurology and Surgery. The installation of the Cathlab Project in PGH is expected to finish within 2024.

Another of Medilines' latest undertaking is the installation of the first Siemens Artis Pheno in the country. The Siemens Artis Pheno is a unique floor mounted robotic C- Arm system that supports a broad range of applications in a Hybrid OR set up. With its robotic technology, minimally invasive image guided procedures for the lungs are made possible, providing better and faster patient treatment. The installation of the Robotic C-Arm Project in Lung Center of the Philippines is expected to finish within 2024.

With its 21 years of experience as a distributor of medical equipment in the Philippines, combined with its continued outstanding performance, the company is in the right position to take on future opportunities in aiding the Government with its healthcare equipment needs.

One of the key drivers for Medilines' aim to strengthen its stronghold on the devices market is the Healthcare Facilities Enhancement Program's plan to increase and improve health facilities nationwide.

Today and in the coming years, the Government is building Specialty Centers, offering highly specialized care addressing particular conditions. The current administration is targeting to establish these specialty centers across the country, to be made available in different regions of the Philippines. Renal Care and Kidney Transplant, Lung Care, Cancer Care, and Cardiovascular Care, already covers all of the products that Medilines' is offering. We are eager to work with the Philippine Government in meeting these initiatives.

Further, the Current Administration is also supporting the increase in accessibility of dialysis centers across the nation. On May 8, 2023, PhilHealth has implemented the expansion of hemodialysis coverage to 156 sessions. This would mean higher demand in dialysis machines and, especially, dialysis consumables, as more Filipinos are expected to go through more dialysis sessions in a year.

Project-based revenues become a challenge in terms of revenue forecasting and actualization. To offset the challenges that are often caused by infra-related timing delays, Medilines believes it has set the right strategy to boost dialysis consumables to help increase inventory turnover and grow total income as well as boost margins. The Government's plans to further expand its healthcare facilities will continue to support the Company's growth initiatives, especially since the Company's portfolio of medical devices addresses the top illnesses of the country. One of this is the need for dialysis, which is now fully supported by Philhealth with increased coverage in dialysis treatments and by the Philippine Government as it continues to build and expand dialysis centers nationwide.

Thereafter, the presentation and adoption of the President's report and annual report, and approval of the audited financial statements of the Company for the year ended 31 December 2023, was adopted and unanimously approved by the stockholders through the following resolution:

"RESOLVED, that the stockholders of Medilines Distributors, Incorporated hereby adopt and approve the President's report and annual report, and the audited financial statements of the Company for the year ended 31 December 2023."

The Chairman requested the Corporate Secretary to record the votes for this agenda item. The adoption of the President's report and annual report, and approval of the audited financial statements for the year ended 31 December 2023 were adopted and approved by more than a majority of the total outstanding shares entitled to vote, as detailed below:

AGENDA	FOR		AGAINST		ABSTAIN	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Presentation and adoption of the President's Report and Annual Report, and approval of the Audited Financial Statements for the year ended 31 December 2023	2,085,534,800	100%	0	-	0	-

The stockholders were informed that questions shall be tackled after all the agenda items were completed.

IV. RATIFICATION OF ALL ACTS OF THE BOARD OF DIRECTORS AND MANAGEMENT SINCE 01 JANUARY 2023 TO 31 DECEMBER 2023

The next item on the agenda was the ratification of all acts of the Board of Directors and Management since 01 January 2023 to 31 December 2023, as contained in the Information Statement and summary was also flashed on the presentation. On motion duly made, the stockholders approved the following resolution:

“RESOLVED, that the stockholders of Medilines Distributors, Incorporated hereby adopt and approve the ratification of all acts of the Board of Directors and Management since 01 January 2023 to 31 December 2023.”

The Chairman requested the Corporate Secretary to record the votes for this agenda item. The stockholders owning more than a majority of the total outstanding shares entitled to vote to ratify all acts of the Board of Directors and Management since 01 January 2023 to 31 December 2023, as detailed below:

AGENDA	FOR		AGAINST		ABSTAIN	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Ratification of all acts of the Board of Directors and Management since 01 January 2023 to 31 December 2023	2,085,534,800	100%	0	-	0	-

V. DECLARATION OF CASH DIVIDENDS EQUIVALENT TO 10% OF THE COMPANY'S 31 DECMEBER 2023 NET INCOME AFTER TAX

The next item on the agenda was the declaration of cash dividends equivalent to 10% of the Company's 31 December 2023 Net Income after Tax. On the motion duly made, the stockholders approved the following resolution:

“RESOLVED, that the stockholders of Medilines Distributors Incorporated hereby adopt and approve the declaration of cash dividends equivalent to 10% of the Company's 31 December 2023 Net Income after Tax.”

The Chairman requested the Corporate Secretary to record the votes for this agenda item. The adoption of the President's report and annual report, and approval of the audited financial statements for the year ended 31 December 2023 were adopted and approved by more than a majority of the total outstanding shares entitled to vote, as detailed below:

AGENDA	FOR		AGAINST		ABSTAIN	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Declaration of cash dividends equivalent to 10% of the Company's 31 December 2023 Net Income after Tax	2,085,534,800	100%	0	-	0	-

VI. ELECTION OF THE DIRECTORS (INCLUDING INDEPENDENT DIRECTORS) OF THE COMPANY FOR THE ENSUING FISCAL YEAR

The Chairman of the Meeting then announced that the next item in the agenda would be the appointment of the Board of Directors, including independent directors, for the ensuing year 2024.

The Articles of Incorporation of the Company provide for seven (7) directors. The Corporate Secretary stated that the names of the seven (7) nominees were evaluated and determined that they have all the qualifications and none of the disqualifications to serve as directors of the Company. The nominees also include the final list of candidates eligible for election as independent directors, pre-screened pursuant to the procedures provided in the SEC Circular No. 16 on the Guidelines on Nomination and Election of Independent Directors. Hence, all the nominees submitted were screened by the Corporate Governance Committee. Copies of the profiles of the nominees stating their age, qualifications, and experience were provided to stockholders through the Company's Information Statement.

In addition to the above, the Securities and Exchange Commission Memorandum Circular 4 Series of 2017 provides that a Company's independent director shall serve for a maximum cumulative term of nine (9) terms. After which, the independent director shall be perpetually barred from re-election as such in the same company but may continue to qualify as a non-independent director. In the instance that a company wants to retain an independent director who has served nine (9) terms, the Board should provide meritorious justification/s and seek shareholders' approval during the annual shareholders' meeting. Independent directors **Brian N. Edang** and **Fernando Sixto V. Segovia** are on their third term.

The Corporate Secretary announced the names of the people nominated for election as directors and independent directors of Medilines Distributors Incorporated as follows:

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| 1. Mr. Virgilio B. Villar | 5. Atty. Luis Angel G. Asecho |
| 2. Ms. Maria Patricia Dolor V. Yambing | 6. Mr. Brian N. Edang (Independent Director) |
| 3. Ms. Maria Theresa V. Villar | 7. Fernando Sixto V. Segovia (Independent Director) |
| 4. Mr. Norman K. Macapagal | |

On motion duly made, the above-named nominees were nominated as directors and independent directors of the Company.

Considering that there were only seven (7) persons nominated to, and qualified for, the seven (7) seats in the Board, the Corporate Secretary was instructed to cast, as he did cast, all the votes in favor of those seven (7) persons), and they were thereupon declared elected as Directors for the ensuing fiscal year and until their successor have been elected and qualified. The Following were

AGENDA	FOR		AGAINST		ABSTAIN	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Election of the Directors (including Independent Directors) of the Company for the ensuing Fiscal Year.						
1. Virgilio V. Villar	2,085,534,800	100%	0	-	0	-
2. Maria Patricia Dolor V. Yambing	2,085,534,800	100%	0	-	0	-
3. Maria Theresa V. Villar	2,085,534,800	100%	0	-	0	-
4. Norman K. Macapagal	2,085,534,800	100%	0	-	0	-
5. Luis Angel G. Asecho	2,085,534,800	100%	0	-	0	-
6. Brian N. Edang (Independent Director)	2,085,534,800	100%	0	-	0	-
7. Fernando Sixto V. Segovia (Independent Director)	2,085,534,800	100%	0	-	0	-

the votes on the directors, with each director elected having received the votes of more than a majority of the outstanding shares of stock entitled to vote, as detailed below:

The voting process complied with the principles of one-share, one-vote, and cumulative voting requirements under the Revised Corporation Code.

Accordingly, the Chairman declared them as duly elected directors of Medilines Distributors Incorporated for the ensuing year 2023, and until their successor shall have been elected and qualified.

VII. APPOINTMENT OF THE EXTERNAL AUDITOR OF THE COMPANY FOR THE YEAR 2024

The Chairman of the meeting then announced that the next item in the agenda would be the appointment of the external auditor for the year 2024.

Upon motion duly made and seconded, the following resolution was adopted:

“RESOLVED, that the stockholders of Medilines Distributors Incorporated hereby approved the re-appointment of Punongbayan and Araullo, as the external auditor of Medilines Distributors Incorporated for the year 2024 under such term and conditions as may be approved by the Board of Directors.”

The Chairman requested the Corporate Secretary to record the votes for this agenda item. The stockholders owning more than a majority of the total outstanding shares entitled to vote approved

AGENDA	FOR		AGAINST		ABSTAIN	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Appointment of Punongbayan and Araullo as the external auditor of the Company for the year 2024	2,085,534,800	100%	0	-	0	-

the re-appointment of Punongbayan and Araullo as the external auditor of the Company for the year 2024 as detailed below:

VIII. OTHER MATTERS

The Chairman inquired if there are other matters for discussion. The Corporate Secretary informed the Chairman that there are no other matters to be taken up in the meeting.

IX. ADJOURNMENT

There being no further business to transact, and upon motion duly made and seconded, the meeting was adjourned at 10:45 in the morning.

Certified Correct:


Mr. Daniel C. Zulueta
Corporate Secretary

Attested by: 
Mr. Virgilio B. Villar
Chairman of the Board