

**MINUTES OF THE ANNUAL MEETING  
OF STOCKHOLDERS OF  
MEDILINES DISTRIBUTORS INCORPORATED  
via Virtual Meeting Room  
Monday, 02 June 2025 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 - **2,076,099,405**

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

Also Present:

Mr. Daniel C. Zulueta	Corporate Secretary
Mrs. Myra B. De Asis	Chief Finance 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 11 May 2025 and 12 May 2025;
- 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, 2,076,099,405 shares or 75.59% 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 2024**

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 2024.

The President reported the following:

Medilines posted Php 1.4 billion in revenues for full year 2024, a 108% increase from Php 680 million in 2023, driven mainly by higher diagnostic imaging sales as medical infrastructure projects neared completion. This strong rebound from last year's 65% decline highlights both the recovery and the project-based volatility of its business. As a direct result of the company's revenue growth, Medilines reported a net income after tax of Php129 million, reflecting a 79% increase compared to the previous year.

Medilines noted the completion of several major projects by Medilines in 2024, which played a key role in driving the company's revenue growth and supporting national advancements in healthcare. Notably, the company completed the first-ever installation of an MRI unit in Batanes General Hospital—an important milestone for both Medilines and the island province. At the Philippine Children's Medical Center, Medilines installed a 3-Tesla MRI and CT Scan, marking the first time such advanced imaging technology was made available in a children's hospital in the Philippines. The 3-Tesla MRI offers enhanced magnetic field strength, resulting in higher-resolution imaging. The company also delivered the first multi-axial floor-mounted Robotic C-Arm in the country at the Lung Center of the Philippines. Another significant project was the installation of a ceiling-mounted, multi-axis Cathlab at the Philippine General Hospital—the first of its kind in Southeast Asia. Furthermore, Medilines completed five dialysis centers for the Department of Health, located in Misamis Occidental, Pampanga (Apalit 1 and 2), Leyte, and Cavite, in support of the Department's healthcare priorities. The year also saw the completion of a dialysis center at De La Salle Medical and Health Sciences Institute in Dasmariñas, Cavite, where Medilines installed 50 dialysis machines. This facility is expected to serve not only patients but also medical students training in dialysis care.

Medilines specializes in three product categories: which include Cancer Therapy, Diagnostic Imaging, and Dialysis. It was noted that the majority of revenues from these segments are project-based and largely dependent on the completion of healthcare infrastructure. Among the three, only the Dialysis segment currently includes consumables in its portfolio, contributing to improved profitability and turnover. For the year 2024, the Diagnostic Imaging segment showed substantial growth, increasing its share of total company revenue to 56%, up from 10% in the previous year. In contrast, the Cancer Therapy segment saw a decrease in its revenue contribution to 12%, down from 19% last year. The Dialysis segment also recorded a significant decline, with its contribution falling to 32% from 71% in 2023.

It was also discussed that while the timing of project completions primarily drove the year-on-year growth in Diagnostic Imaging revenue, there was also a notable increase in the revenue contribution from Dialysis consumables. Within the total Dialysis business, the consumables segment increased its share to 71% in 2024, up from 46% in 2023. This growth is attributed to the Company's strategic emphasis on expanding commodatum projects. Under this model, Medilines makes initial investments in on-site dialysis machine installations, with revenue generated through the exclusive supply of its consumables. Currently, the Company has two ongoing commodatum partnerships. The first, initiated in 2023, is with Cotabato Regional Medical Center, involving the installation of 20 dialysis machines over a five-year agreement. The second began in 2024 with De La Salle Medical and Health Sciences Institute in Dasmariñas, Cavite, where 50 machines were installed under a six-year partnership. These efforts are part of Medilines' broader strategy to



reduce reliance on infrastructure-tied revenue and enhance overall sales turnover through more predictable, consumables-based income streams.

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. The Company has served more than 100 hospitals nationwide to date.

The company continues to strengthen its nationwide presence through a growing portfolio of ongoing and awarded projects spanning Luzon, Visayas, and Mindanao. The Company closed 2024 and began 2025 with several key projects currently in progress, all targeted for completion within the year.

For Cancer Therapy, Medilines have the following ongoing projects:

- PET CT Project in Bataan General Hospital
- Medical Cyclotron Project in Southern Philippines Medical Center (Davao City)
- Medical Cyclotron Project in Vicente Sotto Medical Center (Cebu City)

For Diagnostic Imaging, Medilines have the following ongoing projects:

- MRI Project in National Children's Hospital
- MRI Project in Medcor Dasmariñas Hospital and Medical Center (Cavite)
- CT Scan Project in Rizal Medical Center
- C-Arm and CT Scan Project in Tondo Medical Center

For Dialysis, Medilines have the following ongoing projects:

- 2 Dialysis center projects in San Joaquin Mother & Child
- Dialysis center in Sorsogon Provincial Hospital
- Dialysis center in Dr Catalino Gallego Nava, Guimaras
- Dialysis center in Quirino Province Medical Center

All-in-all, Medilines started the year 2025 with a total of Php706 million worth of projects forecasted for completion within the year. The Company also started the year with commodatum projects that are forecasted to contribute Php120 million in consumables revenues annually.

Several new projects have been added to Medilines' portfolio this year, with completion targeted by the end of 2025. These newly awarded projects are scheduled for completion by the end of the year and include an MRI installation at Eastern Visayas Medical Center in Tacloban and a Fluoroscopy project at the Philippine Children's Medical Center. These additions further reinforce the Company's momentum in expanding its footprint and delivering advanced diagnostic solutions across the country.

In the Financial portion of the report, it was discussed that as of December 31, 2024, the Company's Accounts Receivables increased due to the completion of Diagnostic Imaging and Cancer Therapy projects towards the end of the year. The eight percent (8%) increase in Property, Plant, and Equipment is attributable to investments made by the Company for the infrastructure, dialysis machines and systems related to De La Salle Medical and Health Sciences Institute commodatum project. The decrease in interest-bearing loans is primarily due to loan repayment made by the company as a result of collection of loan-funded projects. Total assets remained unchanged primarily due to offsetting of the increase in cash, receivables and property plant and equipment with the decrease in contract assets. The Php106 million decrease in liabilities is attributable to supplier and loan payments made in 2024. The 6% increase in Equity is mainly due to the increase in Retained Earnings. Gross profit margin declined from 36% to 29%, primarily attributable to an increased revenue contribution from Diagnostic Imaging. As this segment typically yields a lower margin, the shift directly resulted in a slight decline in operating margins and net income year-on-year. The Company remains solvent with a strong current ratio, which continues to increase from 2.15 in 2023 to 2.29 in 2024.

Medilines continues to collaborate with globally recognized partners known for high-quality products. The Company maintains its partnerships with Varian Medical Systems for Cancer Therapy and Siemens Healthineers for Diagnostic Imaging—leaders in their respective fields since 2016 and 2018. In the Dialysis segment, Medilines remains partnered with B. Braun Avitum while also launching its own dialyzer brand and directly importing select consumables. This strategic shift supports the expansion of commodatum projects, reduces supply dependence, and is expected to enhance inventory turnover and profitability.

As part of its 2024 highlights, Medilines participated in the 2024 European Congress of Radiology (ECR), held in Vienna, Austria, from February 28 to March 3. The event, themed “Next Generation Radiology,” spotlighted technological advancements, with a strong focus on Artificial Intelligence (AI). Additionally, Medilines, in partnership with Siemens Healthineers, joined Radiology Across Borders (RAB) and the Philippine College of Radiology (PCR) in a two-day symposium titled “IMPACT: Improving Mammographic Proficiency and Clinical Technique.” This program, led by volunteer breast radiologists and international partners, aimed to enhance clinical expertise through intensive knowledge sharing and training.

In 2024, Medilines conducted two corporate social responsibility (CSR) initiatives. The first was a Medical Mission held in partnership with Barangay Bagong Ilog in Pasig City, where volunteer employees, resident nurses, and medical industry partners provided basic consultations and medical supplies to 69 residents. In another initiative, Medilines collaborated with the Rotary Club of Makati to donate 15 wheelchairs and milk supplies to Persons with Disabilities (PWDs) at San Pedro Calungsod Quasi Parish.

For 2025, Medilines maintains a positive outlook, supported by key developments in the healthcare sector. The government’s ongoing implementation of the Health Facilities Enhancement Program (HFEP), particularly its initiative to establish Specialty Centers nationwide, aligns directly with Medilines’ core product portfolio. These centers focus on specialized care for Renal, Lung, Cancer, and Cardiovascular conditions—areas where Medilines is well-positioned to contribute. The Company looks forward to further collaboration with the Philippine Government in addressing these critical healthcare needs across the country.

Additionally, the implementation of the new Procurement Act (Republic Act No. 12009) represents a major shift for the Company, as the majority of its business is conducted through public bidding. Medilines is currently undergoing internal discussions and training to fully understand and comply with the new procurement guidelines, which are expected to streamline processes and improve efficiency in project implementation.

The continued expansion of dialysis centers nationwide also presents a significant growth opportunity. The current administration has demonstrated strong support for improving access to dialysis services. On May 8, 2023, PhilHealth expanded its hemodialysis coverage to 156 sessions per year. Further, in October 2024, PhilHealth increased reimbursement rates from Php2,600 to Php6,350 per session. This substantial increase is expected to drive higher demand for dialysis machines and, more critically, dialysis consumables, as more Filipinos will be able to undergo more frequent treatment sessions. These combined factors position Medilines for sustained growth and a stronger market presence in 2025.

In conclusion, the key takeaways from the President’s Report are as follows: Medilines’ financial performance in 2024 was significantly influenced by the timing of project completions, particularly in its Diagnostic Imaging segment, which drove a remarkable 108% revenue increase—partly from delayed projects finalized from 2023. To reduce exposure to project-related delays and variability, the Company is shifting focus toward increasing revenues from dialysis consumables. While profits and income still have room for improvement, challenges such as rising project costs and delayed collections have affected margins. To address this, Medilines aims to grow its non-project-based revenues, especially through consumables and plug-and-play equipment, and improve operational efficiency, particularly in logistics. The Company remains confident in its product portfolio, which aligns closely with the government’s healthcare facility expansion



initiatives. Strengthening the dialysis consumables segment remains a strategic priority, with strong growth expected due to rising demand for hemodialysis services and expanded government insurance coverage.

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 2024, 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 2024."

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 2024 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 2024.	2,076,099,405	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 2024 TO 01 DECEMBER 2024

The next item on the agenda was the ratification of all acts of the Board of Directors and Management since 01 January 2024 to 01 June 2025, 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 2024 to 01 June 2025."

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 2024 to 01 June 2025, 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 2024 to 01 June 2025.	2,076,099,405	100%	0	-	0	-

**V. DECLARATION OF CASH DIVIDENDS EQUIVALENT TO 20% OF THE COMPANY'S 31 DECEMBER 2024 NET INCOME AFTER TAX**

The next item on the agenda was the declaration of cash dividends equivalent to 20% of the Company's 31 December 2024 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 20% of the Company's 31 December 2024 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 2024 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 20% of the Company's 31 December 2024 Net Income after Tax.	2,076,099,405	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 2025.

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:

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



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 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:

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	2,076,099,405	100%	0	-	0	-
2. Maria Patricia Dolor V. Yambing	2,076,099,405	100%	0	-	0	-
3. Maria Theresa V. Villar	2,076,099,405	100%	0	-	0	-
4. Norman K. Macapagal	2,076,099,405	100%	0	-	0	-
5. Luis Angel G. Aseoche	2,076,099,405	100%	0	-	0	-
6. Brian N. Edang (Independent Director)	2,076,099,405	100%	0	-	0	-
7. Fernando Sixto V. Segovia (Independent Director)	2,076,099,405	100%	0	-	0	-

The voting process compiled 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 2025, and until their successor shall have been elected and qualified.

## VII. APPOINTMENT OF THE EXTERNAL AUDITOR OF THE COMPANY FOR THE YEAR 2025

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 2025.

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 2025 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 the re-appointment of Punongbayan and Araullo as the external auditor of the Company for the year 2025 as detailed below:

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 2025.	2,076,099,405	100%	0	-	0	-

**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 10:50 in the morning.

Certified Correct:

  
**Mr. Daniel C. Zulueta**  
Corporate Secretary

Attested by:

  
**Mr. Virgilio B. Villar**  
Chairman of the Board