



MD MEDICAL GROUP

H1 2021 IFRS RESULTS

6 September, 2021





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1

KEY COMPANY RESULTS
FOR 6 MONTHS 2021

KEY COMPANY RESULTS FOR 6 MONTHS 2021

FINANCIALS (RUB mln)

12,009 REVENUE + 51%

3,777 EBITDA + 66%

2,688 NET PROFIT + 83%

- **Revenue** increased by 51% to RUB 12,009 mln (6m 2020: RUB 7,974 mln)
- **EBITDA** increased by 66% to RUB 3,777 mln (6m 2020: RUB 2,270 mln)
- **EBITDA margin reached** 31.5%: increasing by 3.0 p.p. vs 6m 2020
- **Net profit** for the period grew by 83% vs 6m 2020 and amounted to RUB 2,688 mln
- **Net debt** amounted to RUB 1,835 mln

OPERATIONAL HIGHLIGHTS

76,196 IN-PATIENT DAYS +49%

- **Total number of deliveries** increased by 10% year-on-year and amounted to 4,027
- **Total number of IVF cycles** increased by 41% to 8,154 cycles vs 6m 2020
- **Total number of in-patient days** increased by 49% to 76,196 vs 6m 2020
- **Total number of out-patient treatments** increased by 23% to 897,396 vs 6m 2020

KEY EVENTS

- **OPENING OF LAPINO-4 (COVID) MEDICAL CENTRE**
- **STRONG PERFORMANCE DURING COVID-19**
- **EXTRAORDINARY SURGERY PERFORMANCE AT MD GROUP AND LAPINO HOSPITALS**
- **START OF CONSTRUCTION HOSPITALS IN SAINT-PETERSBURG AND TYUMEN**

- **February 2021:** Launch of multifunctional medical centre Lapino-4 with 100 beds primarily for COVID patients. Lapino-2 returns to initial specialization
- **June/August 2021:** Coronary artery bypass surgery involving the insertion of a shunt was performed on a patient with massive coronary artery damage for the first time at Lapino clinical hospital. Also, endovascular heart surgery was performed for the first time in Russia on a premature newborn with low birth weight
- **After the reporting period.** On 3 September 2021 the Board of Directors approved the payment of RUB1,352,250 thousand as interim dividends which corresponds to RUB18 per share
- **September 2021:** The Group starts construction of two new multifunctional hospitals in Saint-Petersburg and Tyumen.

FINANCIAL RESULTS FOR 6 MONTHS 2021

FINANCIAL RESULTS – YEAR-ON-YEAR

12,009

RUB MLN
REVENUE

+51% (6m2021/6m2020)

3,777

RUB MLN
EBITDA

+66% (6m2021/6m2020)

31,5%

EBITDA
MARGIN

+3.0 p.p. (6m2021/6m2020)

42

CLINICS/HOSPITALS*

36 CLINICS

6 HOSPITALS

25 REGIONS

2,688

RUB MLN
NET PROFIT

+83% (6m2021/6m2020)

FINANCIAL RESULTS – LIKE-FOR-LIKE

12,007

RUB MLN
REVENUE

+51% (6m2021/6m2020)

3,777

RUB MLN
EBITDA

+66% (6m2021/6m2020)

31,5%

EBITDA
MARGIN

+3.0 p.p. (6m2021/6m2020)

42

CLINICS/HOSPITALS*

36 CLINICS

6 HOSPITALS

25 REGIONS

2,689

RUB MLN
NET PROFIT

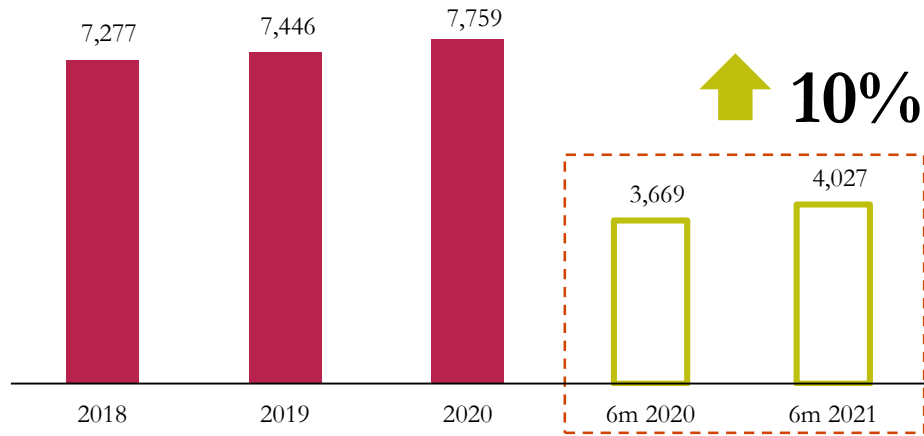
+83% (6m2021/6m2020)

Source: IFRS reporting and management accounts

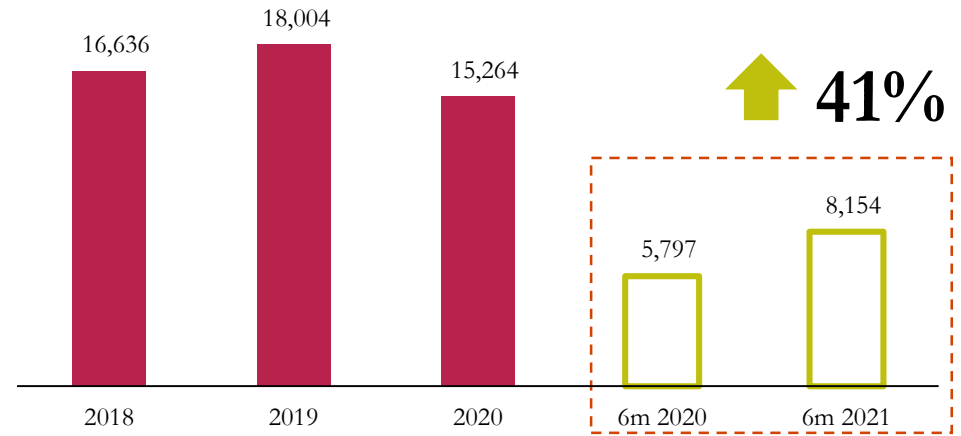
* The Lapino hospital is counted as one unit

OPERATIONAL RESULTS FOR 6 MONTHS 2020/2021

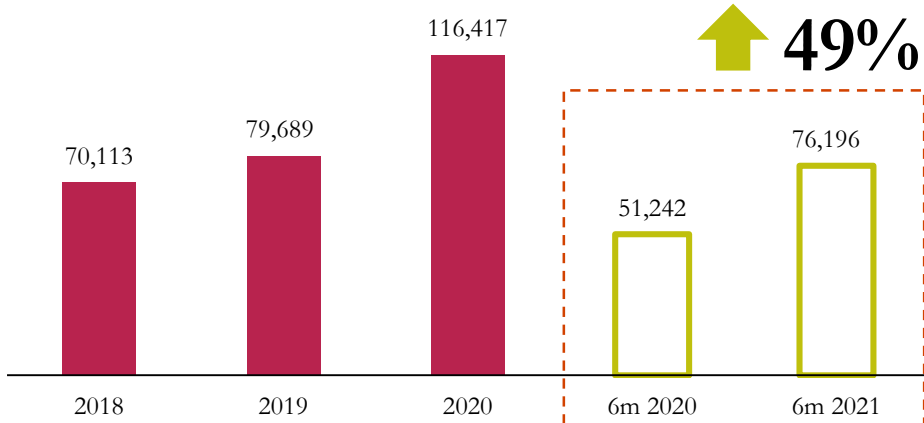
Deliveries



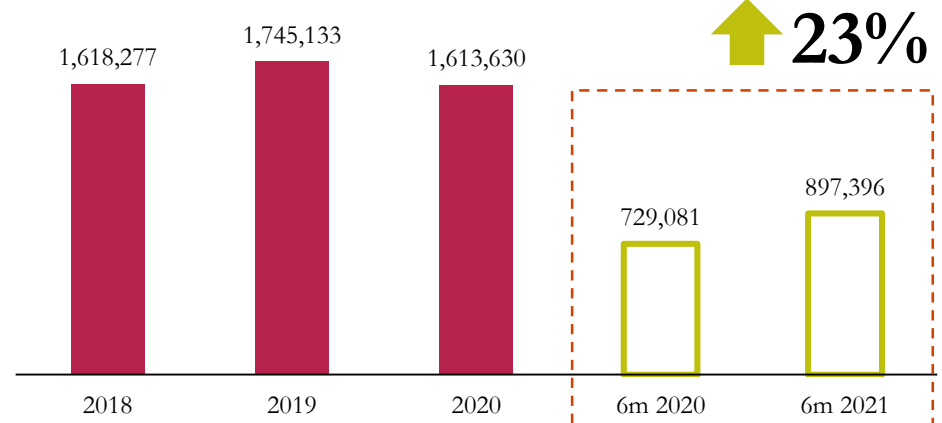
IVF cycles



In-patient days



Out-patient treatments



Source: management accounts

BREAKDOWN OF OPERATIONAL RESULTS FOR 6 MONTHS 2021

Deliveries



OBGYN in-patient days (except deliveries)



OBGYN out-patient treatments



IVF cycles



Paediatrics in-patient days



Paediatrics out-patient treatments



Other medical services in-patient days



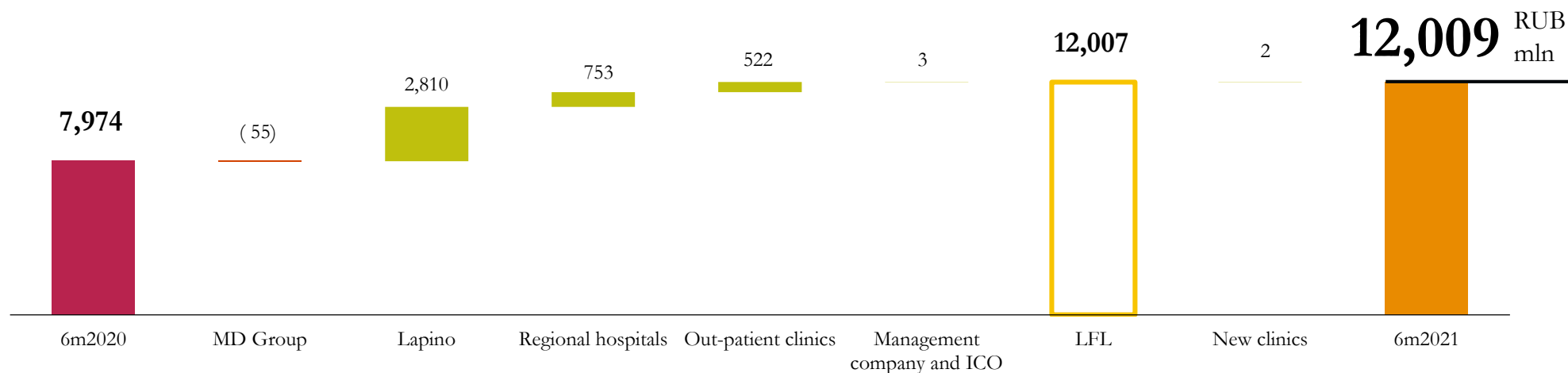
Other medical services out-patient treatments



■ 6m 2020 ■ 6m 2021

REVENUE STRUCTURE FOR 6 MONTHS 2021

Revenue bridge analysis 6m2021/6m2020, RUB mln



Average tickets, RUB thsd

Indicator	6m2021	6m2020	Change
Deliveries	333	313	+6%
Moscow	469	425	+10%
Regions	164	151	+9%
IVF	234	232	+1%
Commercial	314	314	0%
MHI	160	146	+10%
In-patient	57.7	46.9	+23%
Moscow	74.2	60.3	+23%
Regions	34.8	32.5	+7%
Out-patient	3.2	3.0	+7%

Source: IFRS reporting

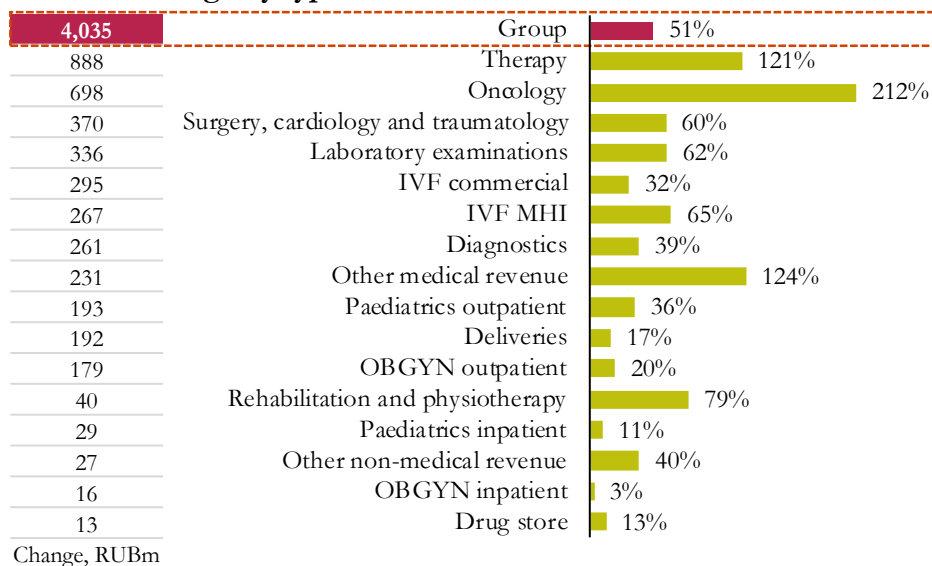
* Other medical revenue includes laboratory examinations, diagnostic centre and other medical service

Revenue dynamics by types, RUB mln

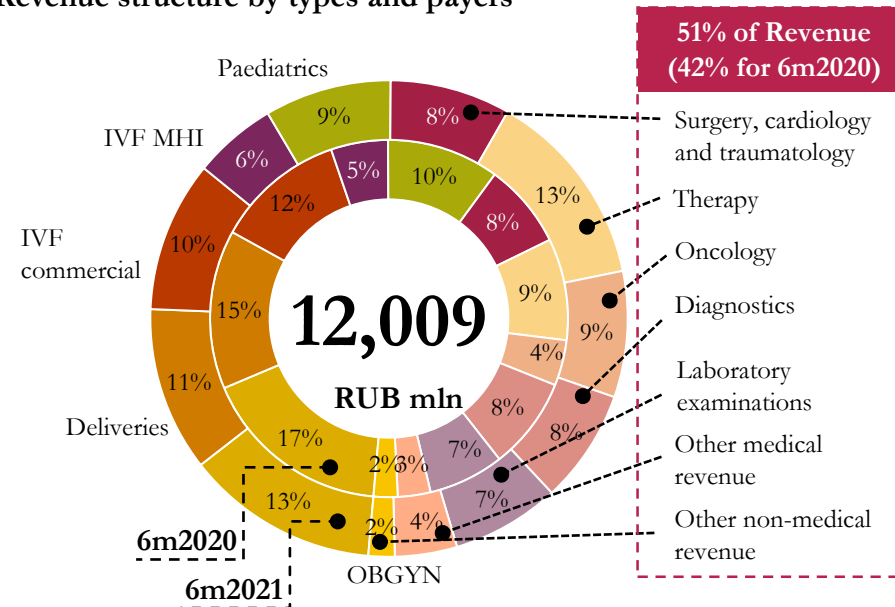
Type of revenue	6m2021	6m2020	Change
Therapy, surgery and other in-patient medical services	2,566	1,316	+95%
Other medical services*	2,352	1,476	+59%
OBGYN (excl. deliveries)	1,571	1,376	+14%
Deliveries	1,340	1,148	+17%
IVF	1,908	1,346	+42%
Paediatrics	1,032	810	+27%
Oncology	1,027	329	+212%
Other revenue	213	173	+23%
Total	12,009	7,974	+51%

REVENUE CHANGE AND STRUCTURE BY TYPES

Revenue change by types of services 6m2021/6m2020



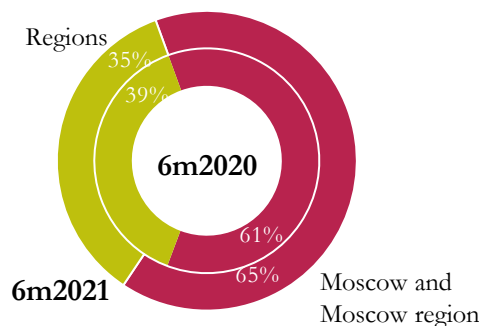
Revenue structure by types and payers



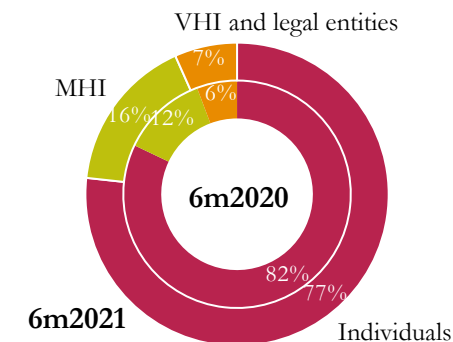
Highlights

- ✓ Therapy revenue amounted to 1,622 mln RUB or +888 mln RUB or 121% y/y.
- ✓ Oncology revenue amounted to 1,027 mln RUB or +698 mln RUB or 212% y/y.
- ✓ Surgery (incl. plastic. surgery, urology) and Cardiology revenue amounted to 682 mln RUB or +238 mln RUB or 54% y/y.
- ✓ Traumatology revenue amounted to 299 mln RUB or +132 mln RUB or 78% y/y.
- The growth in average tickets was due to solid development of oncology and surgery services – both in Moscow and regional hospitals. The average tickets were also affected by treatment of COVID-19 patients.

Revenue structure, Moscow and regions



Revenue structure by payers



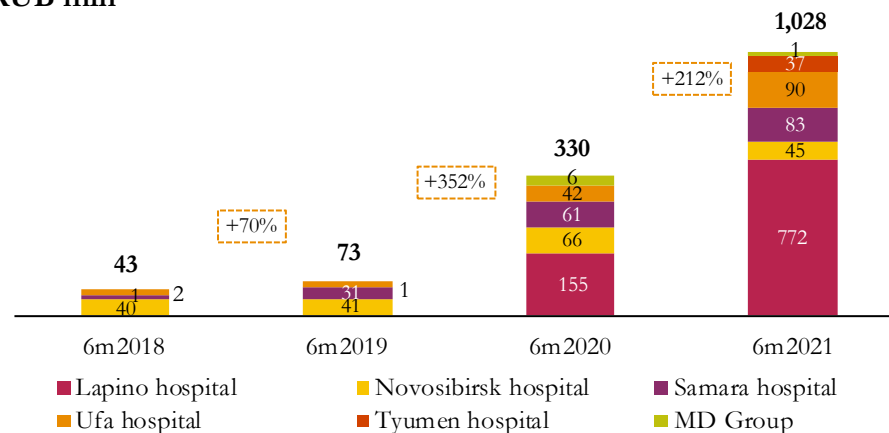
ONCOLOGY SERVICE: DYNAMIC DEVELOPMENT

- In response to the growing demand of oncological care, a decision was made to expand the oncological service of the Company significantly.
- A full cycle of medical care of the highest quality is provided - from screening and diagnosis verification to high-tech oncosurgical care, chemoradiotherapy and oncological rehabilitation.
- A team of leading Russian oncologists joined the Company.
- Focus of the new oncological service is to adhere to modern world protocols for diagnostics and patient treatment, obligatory use of modern molecular biological methods for verifying the diagnosis and use this data while prescribing innovative anticancer therapy.
- More than 750 cycles of anticancer therapy are performed at the Company's hospitals every month.
- A modern centralized pathomorphological service allowing molecular biological studies, as well as the departments for anticancer drug therapy, are in place
- Patients can receive anticancer therapy and undergo operations in the format of MHI which share constitutes 79% in oncology revenue
- Majority of patients receive anticancer therapy in the format of MHI.

Development of the oncological service contributes to the increase of the flow of patients with other medical problems

Source: IFRS reporting

Dynamics of revenue change for the Company's oncology services, RUB mln



All six hospitals of the Group have been gradually building up revenue from oncological services with the Lapino (RUB +617 mln), hospital being the main driver due to the opening of a special Oncology Centre in 2021

Geography of oncology services in MD Group



STRONG PERFORMANCE DURING PANDEMIC

March 2020/July 2021: almost 4,000 patients with Covid-19 symptoms received medical treatment at the Lapino hospitals

- **2020:** Lapino-1 hospital quickly converted into an anti-covid centre with other patients transferred to the MD Group hospital in Moscow. Resumed normal activities in June 2020
- The newly opened state-of-the-art lab has begun conducting an array of PCR COVID tests with their total number reaching 193,000 by **July 2021**
- **2020:** immediately after inauguration Lapino-2 starts treating coronavirus patients at the start of the “second COVID wave”
- **February 2021:** launch of Lapino-4 with 100 beds as a specialized centre for infectious diseases, including COVID-19
- Company achieved strong results in recovery of infected patients demonstrating advantages of a competent team of doctors, nurses and personnel
- Gained valuable experience in treating a large inflow of patients of all ages, including pregnant women, further expanding its medical competences
- Strengthened customer loyalty and brand reputation by offering in-demand medical services on a high level



Today all patients receive a full cycle of medical care: the company successfully launched post-COVID 19 check-up and rehabilitation programs in all hospitals of the Group

NUMBER OF
HOSPITALISED PATIENTS*

4,019

NUMBER OF PREGNANT PATIENTS
WITH COVID-19 TREATED*

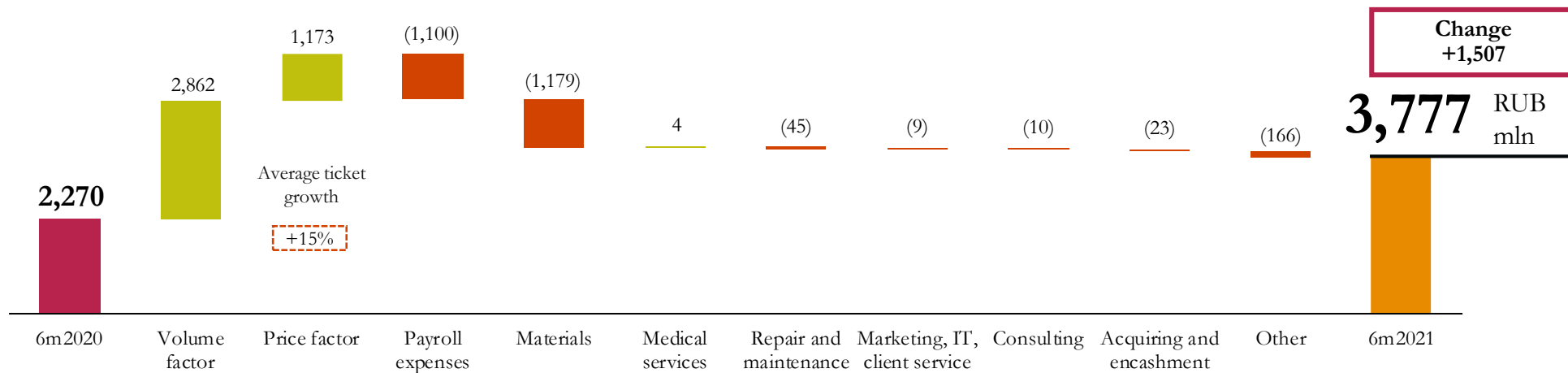
349

NUMBER
OF TREATED CHILDREN
(incl. newborns)*

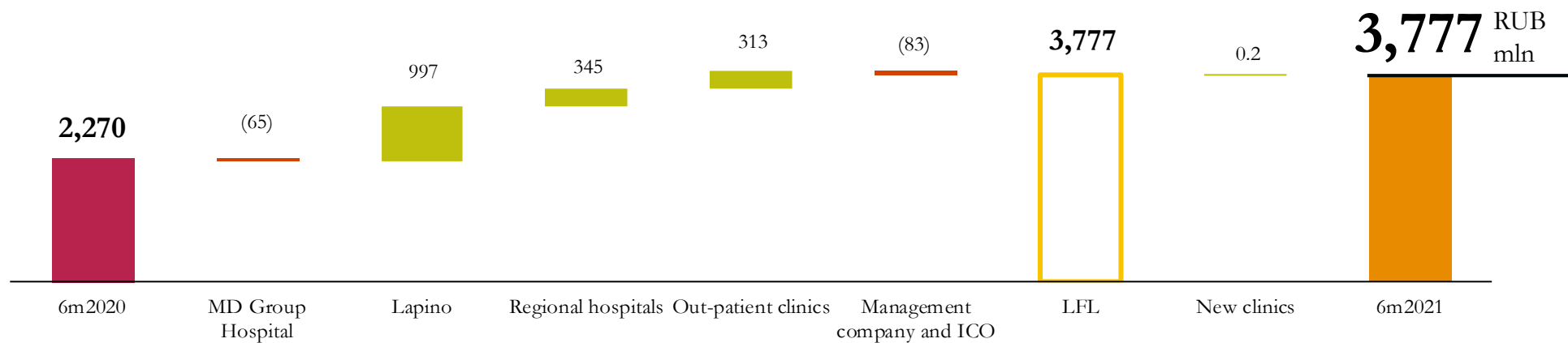
440

EBITDA STRUCTURE

EBITDA decomposition bridge 6m2021/6m2020, RUB mln



EBITDA structure 6m2021/6m2020, RUB mln

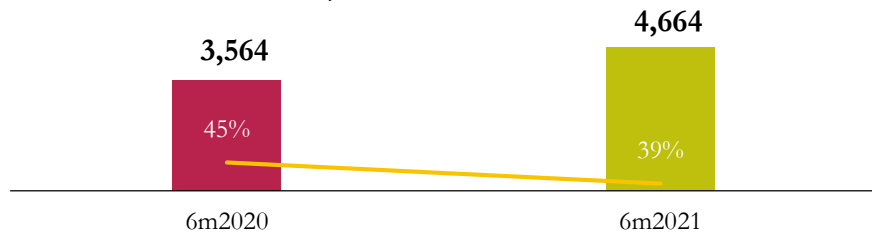


Source: IFRS reporting

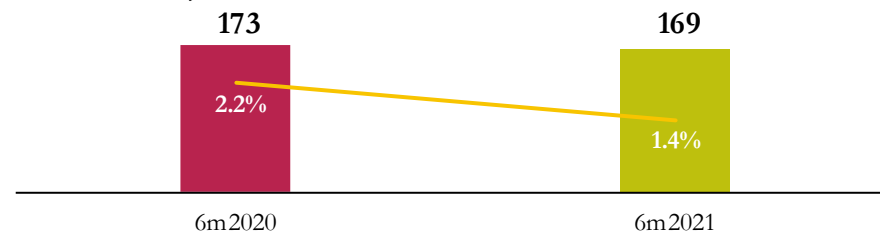
KEY EXPENSES DYNAMICS

Dynamics of the major expenses, % of revenue

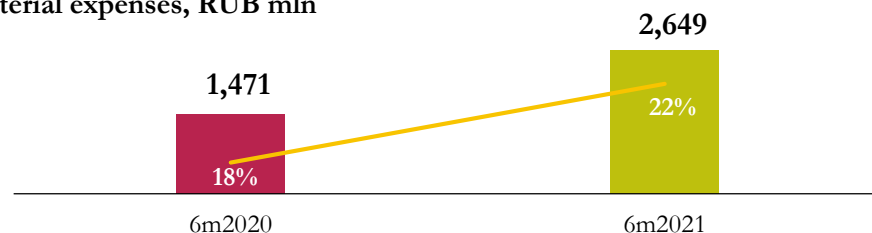
Payroll + Social contributions, RUB mln



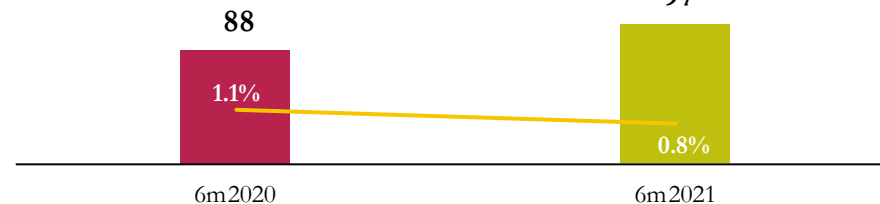
Medical services, RUB mln



Material expenses, RUB mln

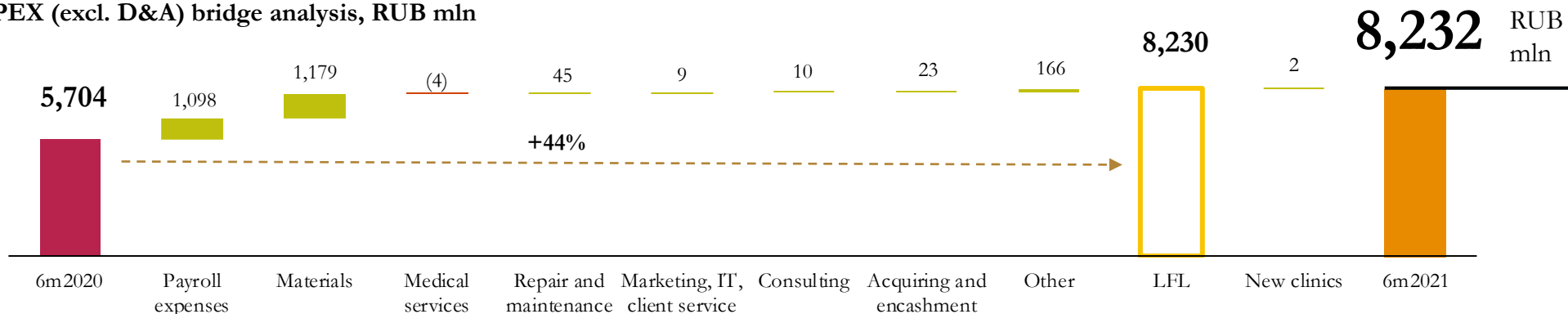


Functional expenses (Marketing, IT, client service), RUB mln



The material expenses to revenue ratio increased comparing to the previous period due to more material-intensive dominant areas of medical care in 6m2021: treatment of coronavirus, oncology and traumatology and orthopedics.

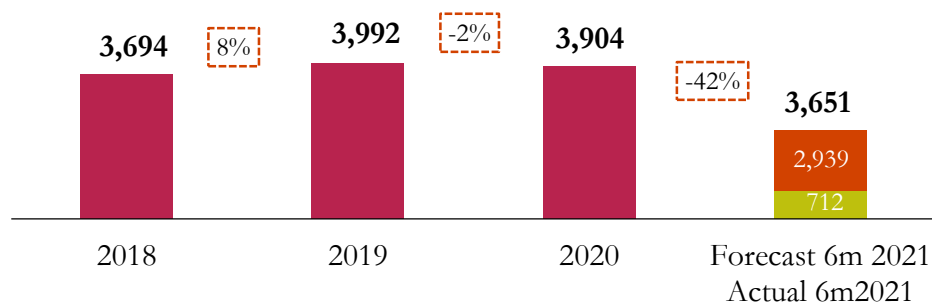
OPEX (excl. D&A) bridge analysis, RUB mln



Source: IFRS reporting

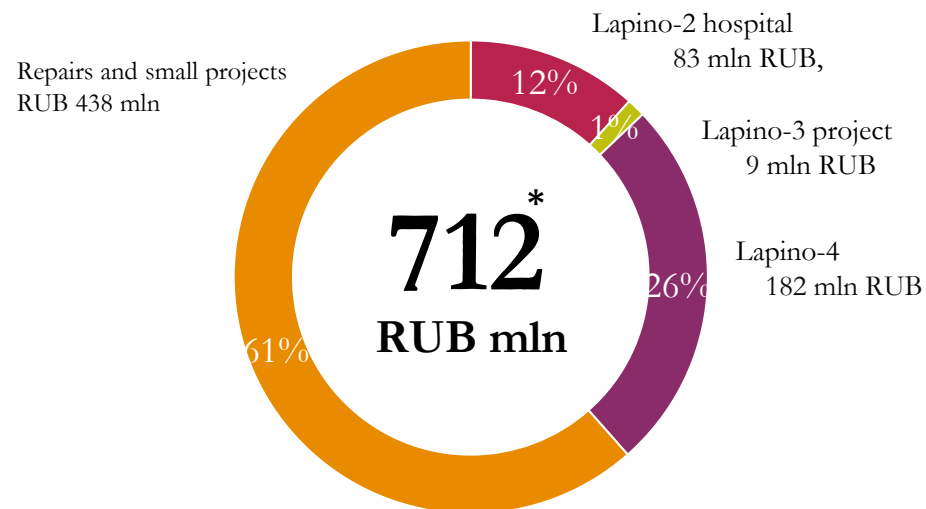
CAPEX HIGHLIGHTS AND CASH FLOW

CAPEX dynamics, RUB mln

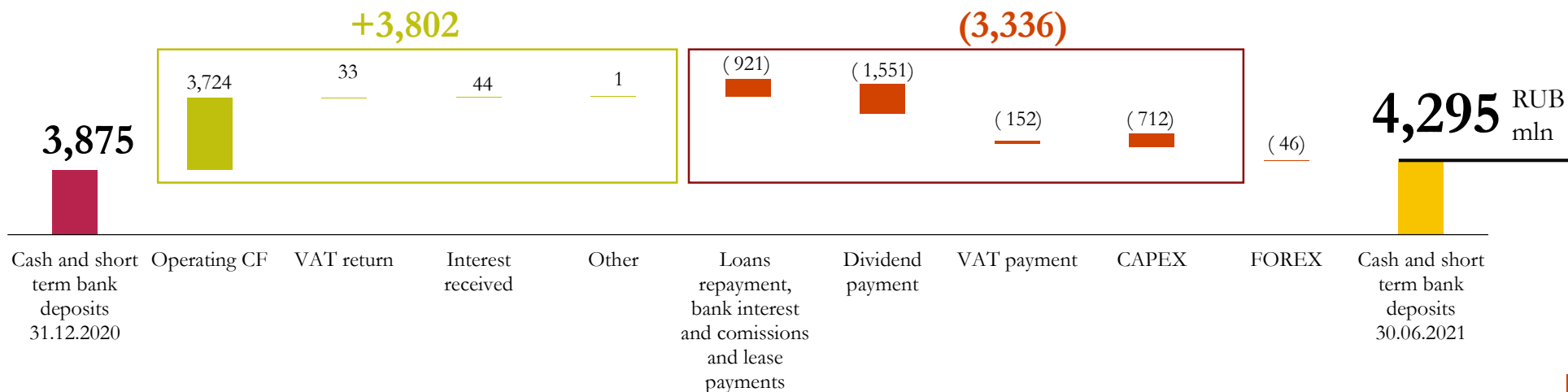


Capital expenditure comprised RUB 712 mln compared to RUB 1,294 mln in 1H 2020. Key investments included expansion of the service range at Lapino-2 (such as dentistry and oncosurgery), the completion of construction of Lapino-4, design of the new Lapino-3 building, launch of three out-patient clinics and two test collection laboratories.

CAPEX structure 6m2021*



Cashflow bridge analysis, RUB mln



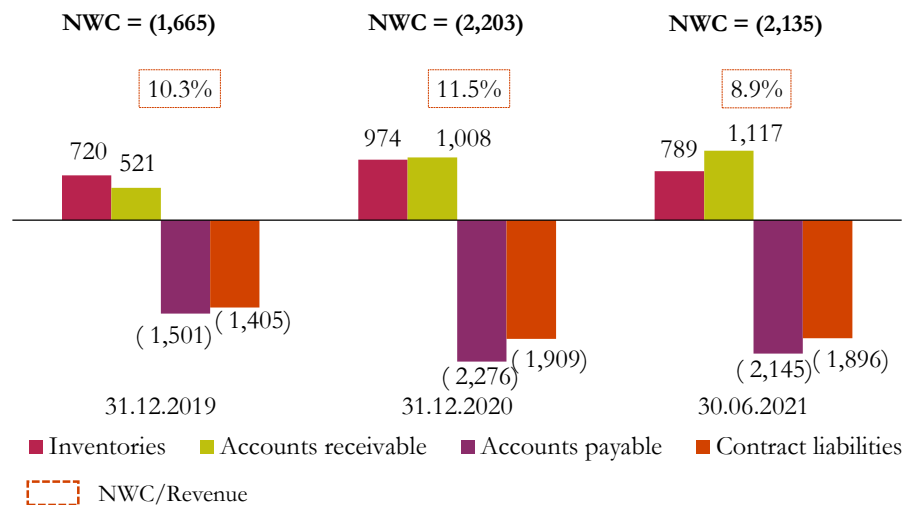
Source: IFRS reporting

* Including purchase of Intangible assets

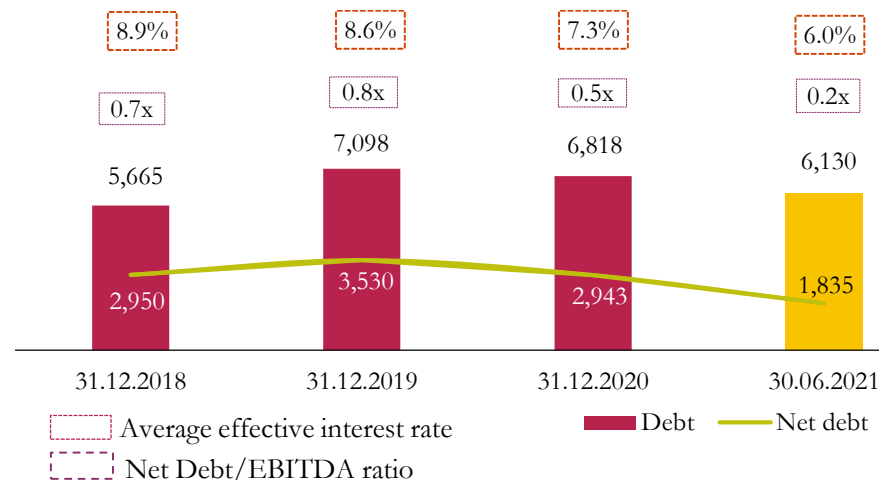
DEBT & NET WORKING CAPITAL (NWC)

- The company has a stable financial position due to a strong cash balance
- At 30 June 2021 the Group's debt decreased by 10% in comparison as of 31 December 2020 and amounted to RUB 6,130 mln
- The Company's cash & cash equivalents and short-term bank deposits increased by 11%
- The net debt position as of June 30, 2021 was RUB 1,835 mln which is 37,6% less than the amount at December 31, 2020. Net debt to EBITDA ratio is 0.2x. The net debt is calculated taking into account short-term bank deposits amounting to RUB 856 mln
- The company works with negative working capital as a source of additional financing. Net working capital decreased by 7.5% vs December 31, 2020 to RUB 2,135 mln and amounted to 8.9% of revenue H1 2021.

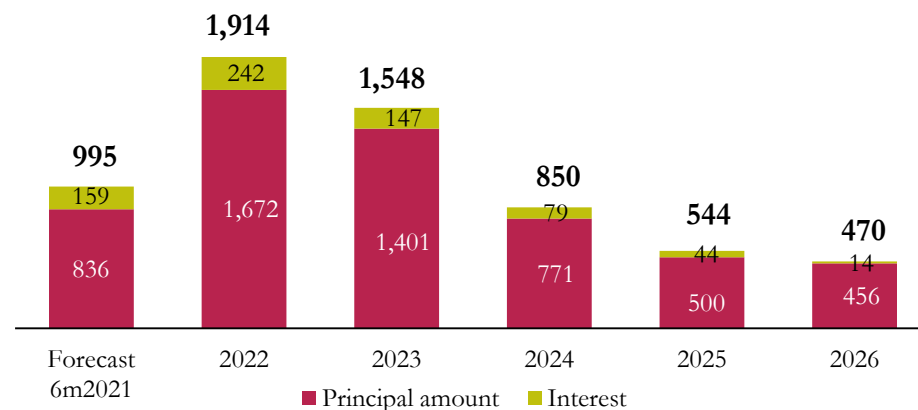
Net working capital (NWC), RUB mln



Debt and net debt dynamics, RUB mln*



Bank loans repayment schedule, RUB mln



* Debt is calculated including the amount of lease liabilities under IFRS 16 (30.06.2021 473 mln RUB, 31.12.2020 508 mln RUB; 31.12.2019 650 mln RUB)

MD MEDICAL GROUP'S DIVIDEND HISTORY

Period	Dividend payment approval	Record date	Payout date	Total Dividends, RUB thsd	Dividends per GDR, RUB
6m2021	03.09.2021	24.09.2021	26.10.2021	1,352,250	18.00
2020	22.04.2021	05.05.2021	25.05.2021	1,427,375	19.00
6m2020	04.09.2020	18.09.2020	20.10.2020	736,225	9.80
2019	03.09.2020	16.09.2020	13.10.2020	1,389,813	18.50
2018	23.04.2019	24.05.2019	25.06.2019	800,081	10.65
2017	17.04.2018	25.04.2018	22.05.2018	450,750	6.00
6m2017	08.09.2017	19.09.2017	24.10.2017	350,833	4.67
2016	21.04.2017	28.04.2017	23.05.2017	338,063	4.50
6m2016	02.09.2016	09.09.2016	18.10.2016	285,475	3.80
2015	15.04.2016	22.04.2016	20.05.2016	500,333	6.66
2014	05.06.2015	05.06.2015	03.07.2015	301,251	4.01
2013	23.05.2014	23.05.2014	30.05.2014	189,883	2.53
2012	07.06.2013	07.06.2013	12.06.2013	301,702	4.02

2

STRATEGIC OUTLOOK

MDMG HAS THE LARGEST REGIONAL HIGH-QUALITY NETWORK OF MEDICAL FACILITIES IN RUSSIA

44

MODERN HEALTHCARE FACILITIES*

8

HOSPITALS*

36

OUT-PATIENT CLINICS

25

REGIONS

~8.4k

EMPLOYEES



~189k sq.m.

TOTAL AREA

~175k sq.m.

OWNED PROPERTY

- **MDMG** is the largest regional medical network in Russia covering 27 cities in 25 regions
- **MDMG's** strategic goal is to constantly diversify its medical services to provide high-quality, personalized healthcare to its customers
This objective is achieved by the creation and expansion of a network of multifunctional hospitals operating in different regions of Russia

*The number of hospitals is based on the number of separate stand-alone buildings

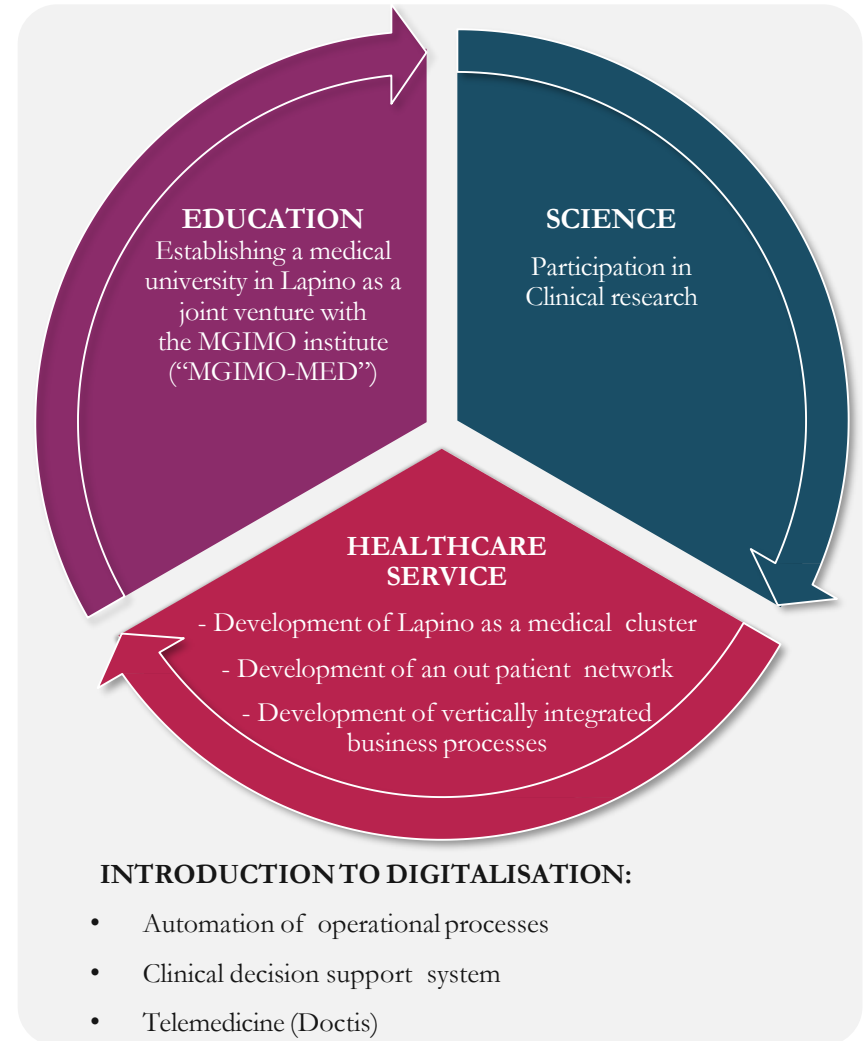
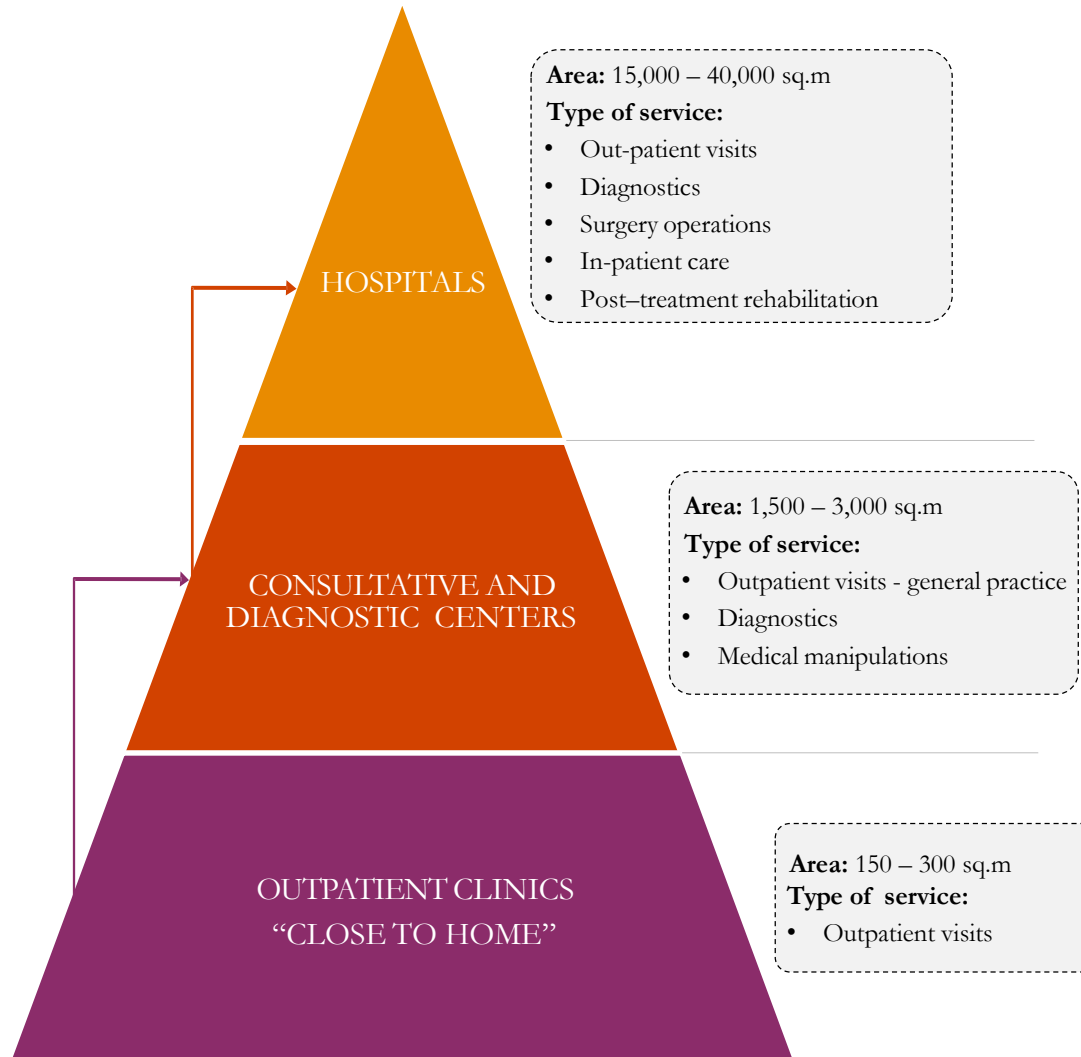
MDMG HAS A STRONG HISTORICAL TRACK RECORD OF SUCCESSFUL EXPANSION

16 years of successful experience in 27 cities of Russia

	2013	2014	2015	2016	2017	2018	2019	2020	2021F	2022F	2023F	2024F
New hospitals	-	Ufa	-	-	Novosibirsk - 2	Samara	Tyumen	Large-scale renovation of PMC (surgery unit and new IVF unit), Lapino-2	Lapino-4	Lapino St. Petersburg, Tyumen-2	Lapino-5, Domodedovo	Lapino-3
Hospitals*	17	22	24	31	34	40	40	43	45	52	57	61
Clinics	15	18	20	27	30	35	34	36	37	42	45	48
New clinics	Yaroslavl'	-	Ryazan'	Kostroma, Odintsovo, Khodinskoe pole	Tyumen, Voronezh	Nizhny Novgorod, Vladimir, Kostroma, Lefortovo (Moscow), Volgograd, Tula, Kazan, expansion of the Yugo-Zapad clinic	Vladivostok, Krasnodar	Rostov-on-Don, Novaya Riga	Mozhaysk, 3 test collection stations	Lipetsk, Belgorod, Ekaterinburg, Mytishchi, Butovo	3 outpatient clinics	3 outpatient clinics
M&A	IDK Samara, Clinic in Irkutsk	Avicenna (Novosibirsk)	Medika (Novokuznetsk)	ARTMedGroup (Krasnoyarsk, Omsk, Barnaul, Novosibirsk)								

*The number of hospitals is based on the number of separate stand-alone buildings

MDMG HAS A VERTICALLY INTEGRATED SYSTEM SUPPORTED BY TECHNOLOGICAL AND EDUCATIONAL INITIATIVES



KEY PILLARS OF MDMG'S GROWTH STRATEGY

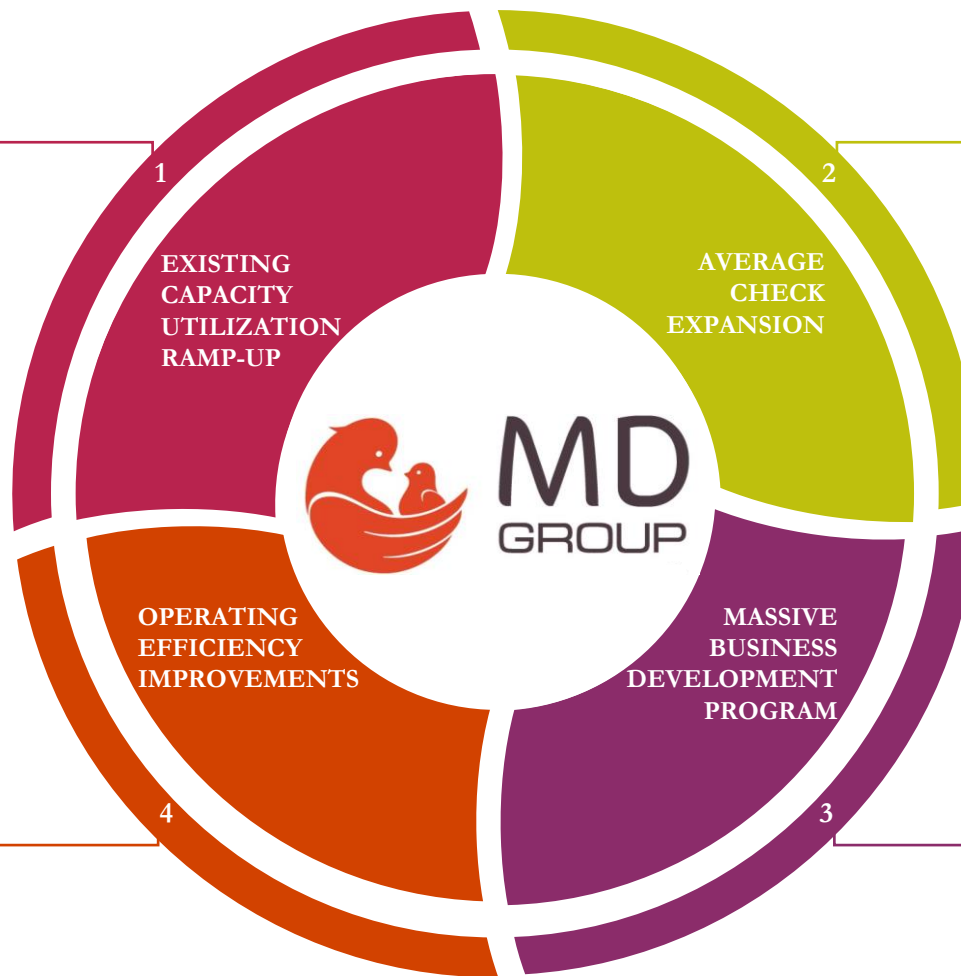
%	Moscow (incl. Lapino)	Regions
Deliveries	67%	45%
IVF cycles	59%	44%
Outpatient visits	46%	45%
Inpatient days	70%	54%

1H'21 utilization rate

- Recently opened hospitals Lapino-2 and Lapino-4 performed rapid growth of utilization rate (51% and 70%, accordingly)

RUB ths.	Moscow (incl. Lapino) '18 1H'21	Regions '18 1H'21
Deliveries	383 ▷ 469	146 ▷ 164
IVF cycles	225 ▷ 253	204 ▷ 225
Outpatient visits	4.2 ▷ 4.8	1.8 ▷ 2.1
Inpatient days	49 ▷ 74	26 ▷ 35

- MDMG has been constantly increasing average checks across all segments and is well prepared to deliver further growth on the back of a more complex product offering



- Vertical integration of medical care chain: full range of medical services at each stage (out-patient – hospital – rehabilitation)
- Economy of scale in drugs, material and maintenance
- Telemedicine technologies

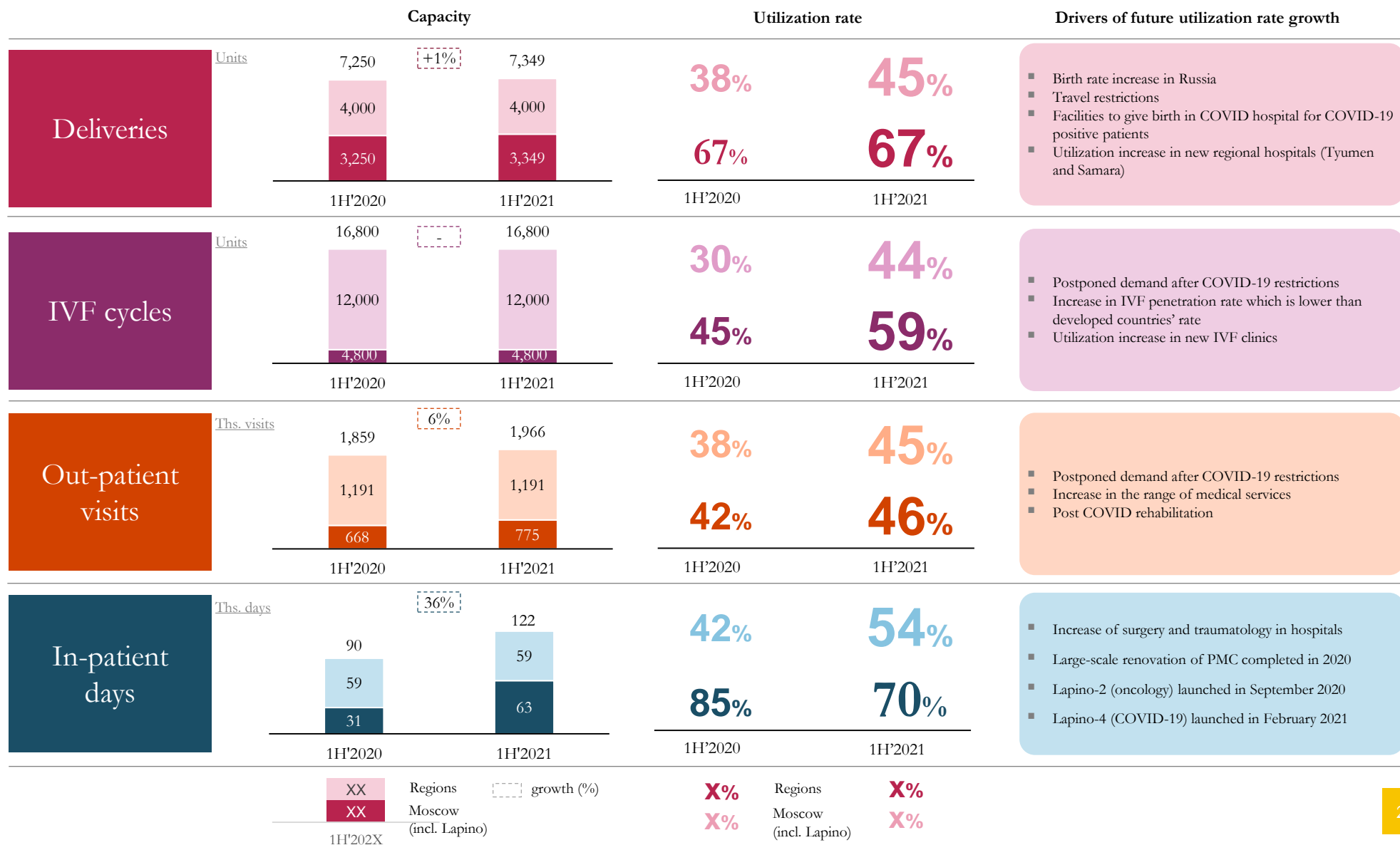
+18
New clinics & hospitals by 2024

+5
New Cities in Russia

RUB 12+bn
CAPEX program

- By leveraging a successful track record of projects development, MDMG is currently implementing its ambitious expansion program

MDMG INCREASES UTILIZATION ACROSS ALL EXISTING ASSETS BUT STILL HAS A SIGNIFICANT GROWTH POTENTIAL



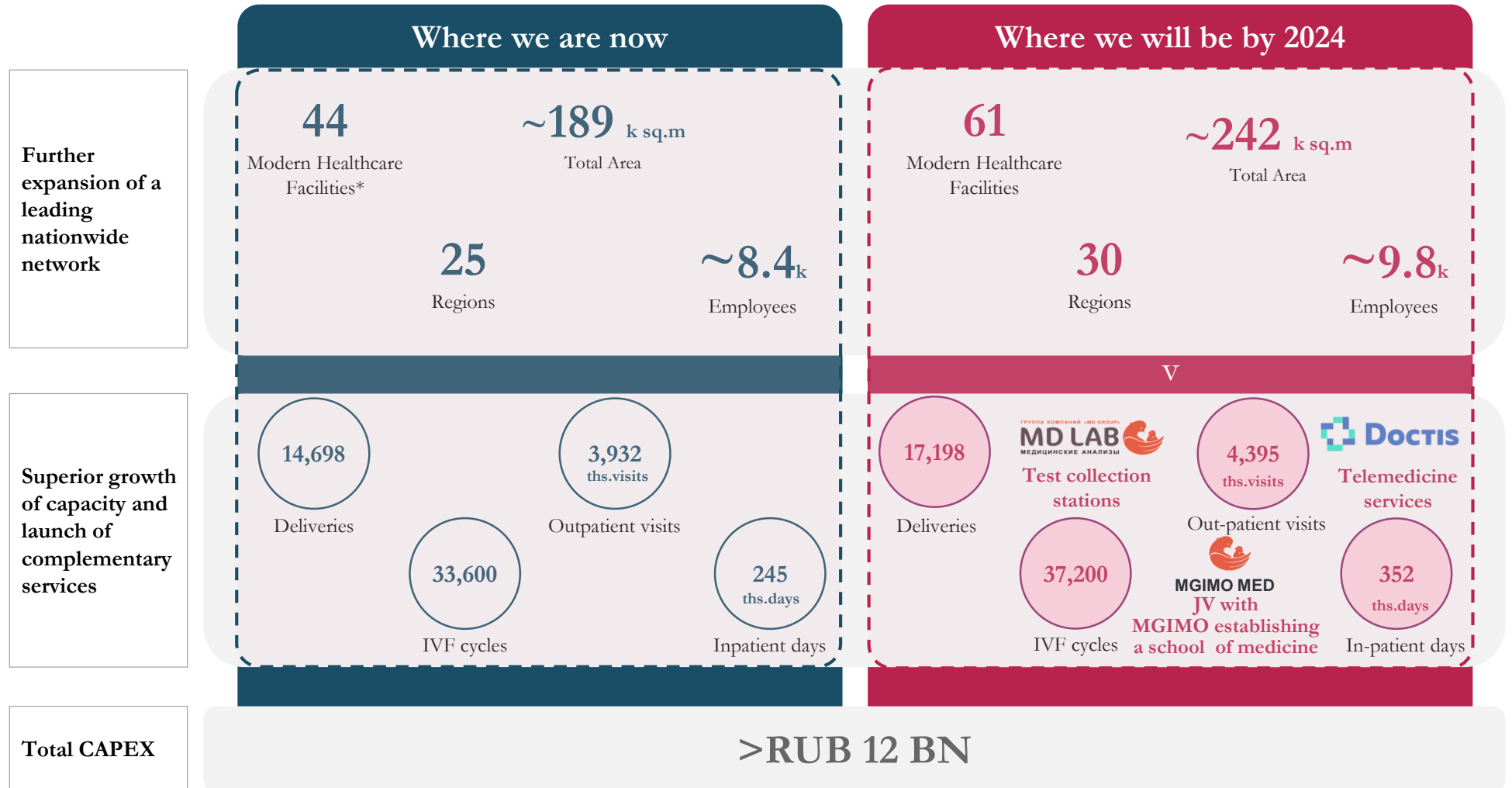
MDMG CONTINUOUSLY FOLLOWING THE SAME PATTERN WITH AVERAGE CHECK

Average check will continue to grow on the back of an increasing share of more complex treatments and numbers of services provided per one visit



growth (%)

MORE THAN RUB 12 BN CAPEX PROGRAM TO ACCELERATE GROWTH



*The number of hospitals is based on the number of separate stand-alone buildings

NEW PROJECTS OVERVIEW – HOSPITALS

IMPLEMENTATION STAGE



Lapino
St. Petersburg

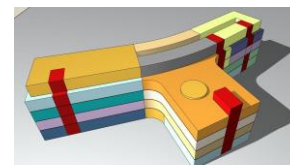


Tyumen-2

PLANNING AND DESIGN STAGE



Lapino-3





Lapino-5



Domodedovo

Region	St. Petersburg	Tyumen	Moscow and Moscow region	Moscow and Moscow region	Moscow and Moscow region
Profile	Covid centre / Multifunctional hospital	Covid centre / Infectious building	Nuclear medicine center	Psychoneurological center	Multifunctional hospital
Key metrics	8,900 sq.m 103 beds	4,750 sq.m 80 beds	11,700 sq.m PET CT, radio therapy, theranostics	100 beds	15,600 sq.m 164 beds
Planned CAPEX RUB mln	1,800	950	4,000	1,000-1,500	4,000
Expected launch	2Q'2022	1Q'2022	2024	3Q'2023	4Q'2023

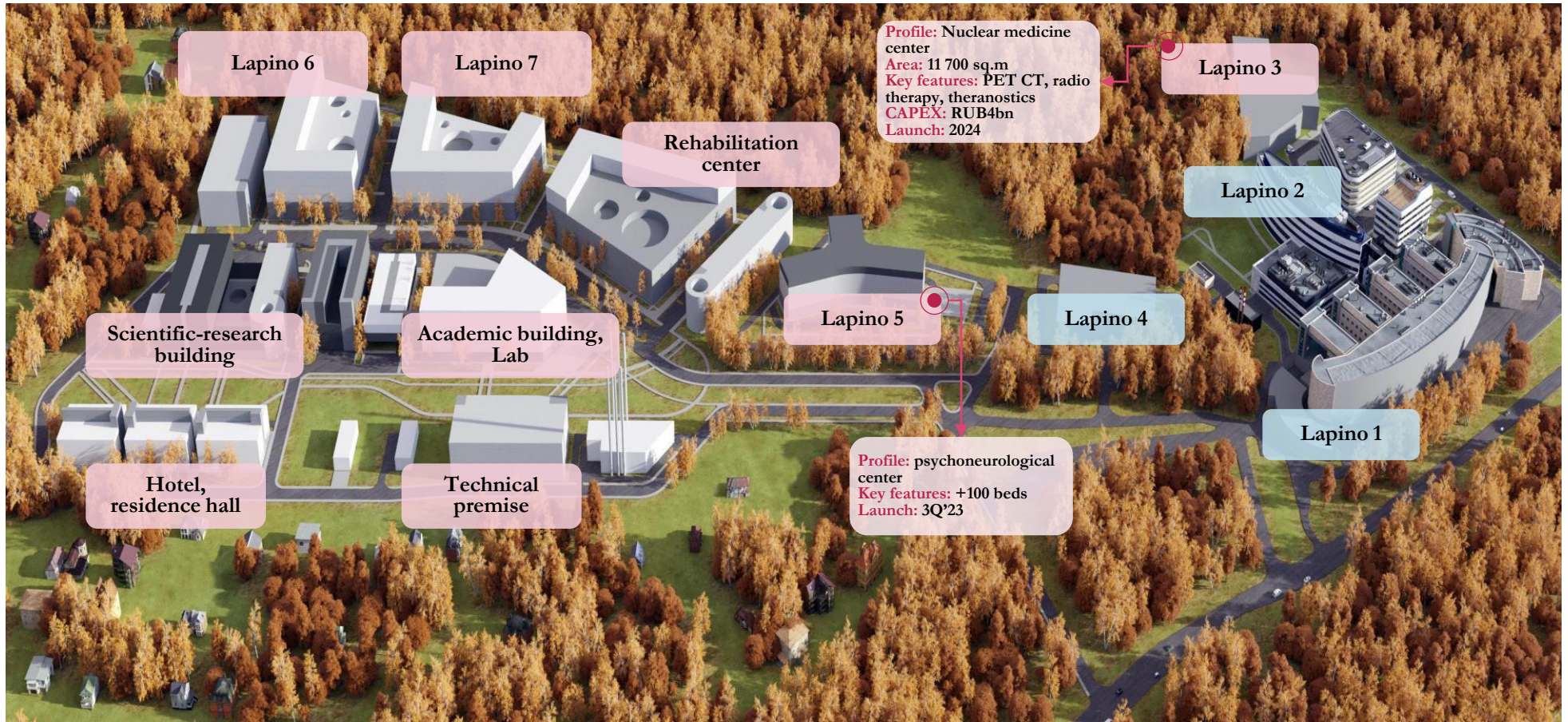
NEW PROJECTS OVERVIEW – OUTPATIENT CLINICS AND OTHER

	IMPLEMENTATION STAGE							
	Lipetsk	Belgorod	Ekaterinburg	Mytishchi	Butovo	Mozhaysk	 <small>ГРУППА КОМПАНИЙ «МС ГРУПП»</small> MD LAB <small>МЕДИЦИНСКИЕ АНАЛИЗЫ</small>	 MGIMO MED
Region	Regions	Regions	Regions	Moscow and Moscow region	Moscow and Moscow region	Moscow and Moscow region	Moscow and Moscow region	Moscow and Moscow region
Profile	IVF cycles	IVF cycles	IVF cycles	Gynecology	Gynecology	Outpatient cancer treatment	3 test collection stations	Medical university
Area, sq.m.	450	394	417	240	195	449	210	JV with MGIMO
Planned CAPEX RUB mln	50	50	50	22	22	59	18	20
Expected launch	1H'2022	1H'2022	1H'2022	1H'2022	1H'2022	2H'2021	4Q'2021	2022 (first 50 students)

LAPINO MEDICAL CLUSTER DEVELOPMENT PLAN

> **22** ha
TOTAL LAND BANK

> **220** ths. sq.m.
TOTAL BUILDING AREA



Existing facilities Planning and design stage

THE COMPANY IS PLANNING A NUMBER OF NEW PROJECTS WITH PLANNED TOTAL AMOUNT OF CAPITAL INVESTMENTS OF

RUB 12 BN

Expansion of medical complex in Lapino

- Planned construction of the **“Lapino-3” nuclear medical center** with an area of 11,700 square meters, which will provide a full cycle of medical care within the Company's oncology service;
- Preparations are underway for the construction of a 100-bed, 10,000 sq. m. **“Lapino-5” Psychoneurological center**

Construction of three new hospitals

- Preparations are underway for the construction of a multidisciplinary hospital in Domodedovo, with an area of 15,600 square meters, which will be built in accordance with the standard regional hospital design;
- Work has begun on the implementation of a new projects at the St. Petersburg and Tyumen sites.

Expansion of outpatient network

- The company continues to expand its network of outpatient clinics, and is also starting to introduce a new format – a network of test collection stations in Moscow and Moscow region under the **“MD LAB”** brand.

Strong operational and financial results allow the Company to implement a capital investment program without external financing and at the same time to pay dividends twice a year at 50% of net profit

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