

# **MD MEDICAL GROUP INVESTMENTS PLC**

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six-month period from 1 January 2021 to 30 June 2021

# MD MEDICAL GROUP INVESTMENTS PLC

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**INDEPENDENT AUDITORS' REPORT ON REVIEW OF  
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
TO THE MEMBERS OF  
MD MEDICAL GROUP INVESTMENT PLC**

*Introduction*

We have reviewed the accompanying condensed consolidated interim statement of financial position of MD Medical Group Investments Plc and its subsidiaries ("the Group"), as at 30 June 2021, the condensed consolidated interim statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and notes to the interim financial statements ("the condensed consolidated interim financial statements"). Management is responsible for the preparation and presentation of this condensed consolidated interim financial statements in accordance with IAS 34, "Interim Financial Reporting". Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

*Scope of Review*

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements as at and for the six months ended 30 June 2021 are not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting".

**KPMG Limited**

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3 September 2021

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## MD MEDICAL GROUP INVESTMENTS PLC

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
For the six-month period from 1 January to 30 June

	Note	2021 <i>RUB'000</i>	2020 <i>RUB'000</i>
Revenue	4	12,008,939	7,973,597
Cost of sales	5	(7,459,243)	(5,310,664)
<b>Gross profit</b>		<b>4,549,696</b>	<b>2,662,933</b>
Other income	8	70,391	199,959
Selling, general and administrative expenses	6	(1,594,444)	(1,275,248)
Other expenses		(48,455)	(37,265)
<b>Operating profit</b>		<b>2,977,188</b>	<b>1,550,379</b>
Finance income	9	44,055	120,503
Finance expenses	9	(285,782)	(247,179)
Net foreign exchange transactions (loss) / gain	9	(42,206)	48,636
<i>Net finance expenses</i>	<i>9</i>	<i>(283,933)</i>	<i>(78,040)</i>
<b>Profit before tax</b>		<b>2,693,255</b>	<b>1,472,339</b>
Income tax expense	10	(5,561)	(1,504)
<b>Profit for the six-month period</b>		<b>2,687,694</b>	<b>1,470,835</b>
<b>Total comprehensive income for the six-month period</b>		<b>2,687,694</b>	<b>1,470,835</b>
<b>Profit for the six-month period attributable to:</b>			
Owners of the Company		2,622,611	1,412,076
Non-controlling interests		65,083	58,759
		<b>2,687,694</b>	<b>1,470,835</b>
<b>Total comprehensive income for the six-month period attributable to:</b>			
Owners of the Company		2,622,611	1,412,076
Non-controlling interests		65,083	58,759
		<b>2,687,694</b>	<b>1,470,835</b>
<b>Earnings per share (RUB)</b>	11	<b>34.91</b>	<b>18.80</b>

The Notes on pages 7 to 17 are an integral part of these condensed consolidated interim financial statements.

## MD MEDICAL GROUP INVESTMENTS PLC


### CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 June 2021 / 31 December 2020

	Note	30 June 2021 RUB'000	31 December 2020 RUB'000
<b>ASSETS</b>			
Property, plant and equipment		23,717,125	23,296,538
Intangible assets		2,181,249	2,205,655
Trade, other receivables and deferred expenses	14	150,017	630,626
Deferred tax assets		4,024	4,959
<b>Total non-current assets</b>		<b>26,052,415</b>	<b>26,137,778</b>
Inventories		789,084	973,877
Trade, other receivables and deferred expenses	14	1,117,448	1,007,973
Short-term bank deposits	15	856,083	746,145
Cash and cash equivalents	15	3,438,900	3,128,718
<b>Total current assets</b>		<b>6,201,515</b>	<b>5,856,713</b>
<b>Total assets</b>		<b>32,253,930</b>	<b>31,994,491</b>
<b>EQUITY</b>			
Share capital	16	180,585	180,585
Share premium		5,243,319	5,243,319
Reserves		(655,352)	(655,352)
Retained earnings		16,035,509	14,840,273
<b>Total equity attributable to the owners of the Company</b>		<b>20,804,061</b>	<b>19,608,825</b>
Non-controlling interests		282,236	343,756
<b>Total equity</b>		<b>21,086,297</b>	<b>19,952,581</b>
<b>LIABILITIES</b>			
Loans and borrowings	17	4,324,571	5,230,477
Trade and other payables	19	590,460	679,843
Deferred tax liabilities		5,854	4,540
Contract liabilities		446,495	483,026
<b>Total non-current liabilities</b>		<b>5,367,380</b>	<b>6,397,886</b>
Loans and borrowings	17	1,805,410	1,587,521
Trade and other payables	19	2,545,581	2,630,288
Contract liabilities		1,449,262	1,426,215
<b>Total current liabilities</b>		<b>5,800,253</b>	<b>5,644,024</b>
<b>Total liabilities</b>		<b>11,167,633</b>	<b>12,041,910</b>
<b>Total equity and liabilities</b>		<b>32,253,930</b>	<b>31,994,491</b>



Vladimir Mekler  
Chairman of the Board of Directors



Mark Kurtser  
Managing Director



Andrey Khoperskiy  
Chief Financial Officer

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## MD MEDICAL GROUP INVESTMENTS PLC

### CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

For the six-month period from 1 January 2021 to 30 June 2021

	Attributable to owners of the Company				Non-controlling interests RUB'000	Total equity RUB'000
	Share capital RUB'000	Share premium RUB'000	Reserves RUB'000	Retained earnings RUB'000	Total RUB'000	
<b>Balance at 1 January 2021</b>	<b>180,585</b>	<b>5,243,319</b>	<b>(655,352)</b>	<b>14,840,273</b>	<b>19,608,825</b>	<b>19,952,581</b>
Profit and other comprehensive income for the six-month period		-	-	2,622,611	2,622,611	2,687,694
<b>Contributions by and distributions to owners</b>						
Dividends declared	-	-	-	(1,427,375)	(1,427,375)	(1,553,978)
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,427,375)</b>	<b>(1,427,375)</b>	<b>(1,553,978)</b>
<b>Balance at 30 June 2021</b>	<b>180,585</b>	<b>5,243,319</b>	<b>(655,352)</b>	<b>16,035,509</b>	<b>20,804,061</b>	<b>21,086,297</b>

Share premium is not available for distribution.

## MD MEDICAL GROUP INVESTMENTS PLC

### CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

For the six-month period from 1 January 2020 to 30 June 2020

	Attributable to owners of the Company				Non-controlling interests	Total equity
	Share capital	Share premium	Reserves	Retained earnings		
	<i>RUB'000</i>	<i>RUB'000</i>	<i>RUB'000</i>	<i>RUB'000</i>	<i>RUB'000</i>	<i>RUB'000</i>
<b>Balance at 1 January 2020</b>	<b>180,585</b>	<b>5,243,319</b>	<b>(655,352)</b>	<b>12,769,848</b>	<b>341,742</b>	<b>17,880,142</b>
Profit and other comprehensive income for the six-month period	-	-	-	1,412,076	58,759	1,470,835
<b>Contributions by and distributions to owners</b>						
Dividends declared	-	-	-	-	(66,980)	(66,980)
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(66,980)</b>	<b>(66,980)</b>
<b>Balance at 30 June 2020</b>	<b>180,585</b>	<b>5,243,319</b>	<b>(655,352)</b>	<b>14,181,924</b>	<b>333,521</b>	<b>19,283,997</b>

Share premium is not available for distribution.

The Notes on pages 7 to 17 are an integral part of these condensed consolidated interim financial statements.

## MD MEDICAL GROUP INVESTMENTS PLC

### CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS For the six-month period from 1 January to 30 June

	Note	2021 RUB'000	2020 RUB'000
<b>Cash flows from operating activities</b>			
Profit for the six-month period		2,687,694	1,470,835
<i>Adjustments for:</i>			
Depreciation		775,352	687,829
Amortisation		69,263	51,679
Gain from the sale of property, plant and equipment		(1,228)	(924)
Write-off of property, plant and equipment		22,281	2,988
Impairment losses on construction in progress		-	22,112
Finance income	9	(44,055)	(120,503)
Finance expenses (excluding impairment)	9	270,850	237,666
Impairment losses on trade and other receivables	9	14,932	9,513
Net foreign exchange transactions loss / (gain)	9	42,206	(48,636)
Income tax expense	10	5,561	1,504
		<b>3,842,856</b>	<b>2,314,063</b>
Decrease in inventories		184,793	57,308
Increase in trade and other receivables		(127,710)	(64,622)
(Decrease) / increase in trade and other payables		(140,030)	22,171
(Decrease) / increase in contract liabilities		(34,056)	152,660
<b>Cash flows from operations</b>		<b>3,725,853</b>	<b>2,481,580</b>
Tax paid		(2,099)	(7,659)
<b>Net cash flows from operating activities</b>		<b>3,723,754</b>	<b>2,473,921</b>
<b>Cash flows from investing activities</b>			
Acquisition/construction of property, plant and equipment		(667,468)	(1,248,359)
Proceeds from sale of property, plant and equipment		1,322	10,208
Acquisition of intangible assets		(44,857)	(45,654)
Loans returned from third parties		-	1,000
Proceeds from government grant		-	139,182
Proceeds from short-term bank deposits		775,535	506,916
Placing short-term bank deposits		(866,831)	(1,294,191)
Interest received		44,055	65,885
<b>Net cash flows used in investing activities</b>		<b>(758,244)</b>	<b>(1,865,013)</b>
<b>Cash flows from financing activities</b>			
Proceeds from loans and borrowings		-	854,019
Repayment of loans and borrowings		(653,894)	(903,005)
Payments of lease liabilities		(74,985)	(73,587)
Finance expenses paid		(192,458)	(180,572)
Proceeds from the reimbursed VAT		33,138	171,262
Repayment of reimbursed VAT		(152,123)	(111,351)
Dividends paid to the owners of the Company		(1,424,824)	-
Dividends paid to non-controlling interests		(126,603)	(66,980)
<b>Net cash flows used in financing activities</b>		<b>(2,591,749)</b>	<b>(310,214)</b>
<b>Net increase in cash and cash equivalents</b>		<b>373,761</b>	<b>298,694</b>
Cash and cash equivalents as at the beginning of the period	15	3,128,718	3,061,448
Effect of exchange rate changes on cash and cash equivalents		(63,579)	49,691
<b>Cash and cash equivalents as at the end of the period</b>	15	<b>3,438,900</b>	<b>3,409,833</b>

The Notes on pages 7 to 17 are an integral part of these condensed consolidated interim financial statements.



## MD MEDICAL GROUP INVESTMENTS PLC

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six-month period from 1 January 2021 to 30 June 2021

#### 1. INCORPORATION AND PRINCIPAL ACTIVITIES

MD Medical Group Investments Plc (the "Company") was incorporated in Cyprus on 5 August 2010 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. In August 2012, following the special resolution passed by the shareholder, the Company was converted into a public limited liability company in accordance with the provisions of the Cyprus Companies Law, Cap. 113. Its Registered Office is at Dimitriou Karatasou 15, Anastasio Building, 6th floor, office 601, Strovolos, 2024, Nicosia, Cyprus.

The principal activity of the Company is that of an investment holding company and, for that purpose, to acquire and hold controlling and other interests in the share or loan capital of any company or companies of any nature, but primarily in the healthcare industry. Refer to Note 4 for more detailed information about the services provided by the Group's medical centres.

The details of the directly and indirectly owned subsidiaries are as follows:

Name	Country of incorporation	Activities	30 June 2021 Effective holding %	31 December 2020 Effective holding %
JSC MD PROJECT 2000	Russian Federation	Medical services	95	95
LLC Khaven	Russian Federation	Medical services	100	100
LLC Velum	Russian Federation	Medical services	90	90
LLC Capital Group	Russian Federation	Pharmaceutics retail	95	95
LLC FimedLab	Russian Federation	Medical services	90	90
LLC Clinic Mother and Child	Russian Federation	Holding of trademarks	100	100
LLC Clinica Zdorovia	Russian Federation	Medical services	80	80
LLC Ivamed	Russian Federation	Medical services	100	100
LLC Dilamed	Russian Federation	Medical services	100	100
LLC Ustic-ECO	Russian Federation	Medical services	-	70
LLC Mother and Child Perm	Russian Federation	Medical services	95	95
LLC Mother and Child Ufa	Russian Federation	Medical services	95	95
LLC Mother and Child Saint-Petersburg	Russian Federation	Medical services	85	85
LLC MD PROJECT 2010	Russian Federation	Medical services	100	100
LLC Mother and Child Ugo-Zapad	Russian Federation	Medical services	90	90
LLC MD Service	Russian Federation	Pharmaceutics retail	95	95
LLC Mother and Child Nizhny Novgorod	Russian Federation	Medical services	100	100
LLC Mother and Child Yekaterinburg	Russian Federation	Medical services	100	100
LLC Mother and Child Tyumen	Russian Federation	Medical services	100	100
CJSC MK IDK	Russian Federation	Medical services	100	100
LLC Apteka IDK	Russian Federation	Pharmaceutics retail	100	100
LLC CSR	Russian Federation	Medical services	100	100
LLC MD Assistance	Russian Federation	Assistance services	100	100
LLC Mother and Child Yaroslavl	Russian Federation	Medical services	80	80
LLC Mother and Child Kostroma	Russian Federation	Medical services	80	80
LLC Mother and Child Vladimir	Russian Federation	Medical services	80	80
LLC Mother and Child Ryazan	Russian Federation	Medical services	100	100
LLC Mother and Child Kazan	Russian Federation	Medical services	100	100
JSC MC Avicenna	Russian Federation	Medical services	100	100
LLC H&C Medical Group	Russian Federation	Medical services	100	100
LLC Centre of Reproductive Medicine	Russian Federation	Medical services	100	100
LLC Medica-2	Russian Federation	Medical services	100	100

## MD MEDICAL GROUP INVESTMENTS PLC

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six-month period from 1 January 2021 to 30 June 2021

#### 1. INCORPORATION AND PRINCIPAL ACTIVITIES (continued)

Name	Country of incorporation	Activities	30 June 2021 Effective holding %	31 December 2020 Effective holding %
LLC Krasnoyarskii center of Reproductive Medicine	Russian Federation	Medical services	100	100
LLC Novosibirskii center of Reproductive Medicine	Russian Federation	Medical services	100	100
LLC Omskii center of Reproductive Medicine	Russian Federation	Medical services	100	100
LLC Barnaulskii center of Reproductive Medicine	Russian Federation	Medical services	100	100
LLC Mother and Child Vladivostok	Russian Federation	Medical services	100	100
LLC Irkutsk Clinical Hospital	Russian Federation	Medical services	100	100
LLC Mother and Child Volga	Russian Federation	Management company	100	100
LLC MD Finance	Russian Federation	Management company	100	100
LLC Mother and Child Vladikavkaz	Russian Federation	Medical services	-	100
LLC Mother and Child Krasnodar	Russian Federation	Medical services	100	100
LLC Mother and Child Rostov-on-Don	Russian Federation	Medical services	100	100
LLC MD Group Krasnogorsk	Russian Federation	Medical services	90	90
NFP MGIMO-MED	Russian Federation	Medical university	67	-
LLC Siberia service company	Russian Federation	Service company	-	-
LLC TechMedCom	Russian Federation	Service company	-	-
LLC Service Hospital Company	Russian Federation	Service company	-	-
LLC Elleprof	Russian Federation	Service company	-	-
LLC Medtechnoservice	Russian Federation	Service company	-	-

As at 30 June 2021, 67.9% of the Company's share capital is owned by MD Medical Holding Limited, a company beneficially owned by Dr. Mark Kurtser. The 32.1% of the Company's share capital is owned by Guarantee Nominee Limited, who holds the shares on behalf of the GDR holders.

#### 2. BASIS OF PREPARATION

##### (a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at 31 December 2020 and for the year then ended.

##### (b) Basis of measurement

These condensed consolidated interim financial statements have been prepared under the historical cost convention.

##### (c) Functional and presentation currency

All of the operational Group entities are located in the Russian Federation. The Company and all its operating subsidiaries have RUB as their functional currency.

These condensed consolidated interim financial statements of the Group are presented in RUB, rounded to the nearest thousand.

## MD MEDICAL GROUP INVESTMENTS PLC

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
For the six-month period from 1 January 2021 to 30 June 2021

### 2. BASIS OF PREPARATION (continued)

#### (d) Use of estimates and judgements

Preparing these condensed consolidated interim financial statements in accordance with IFRSs requires management to exercise their judgement to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses.

The estimates and underlying assumptions are based on historical experience and various other factors that are deemed reasonable based on knowledge available at that time. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed and where necessary revised on an ongoing basis. Revisions to estimates are recognised prospectively.

The significant judgements made by the management in applying the Group accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended 31 December 2020.

### 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in these condensed consolidated interim financial statements are consistent with those followed in the Group's consolidated financial statements as at 31 December 2020 and for the year then ended.

### 4. REVENUE

	30 June 2021	30 June 2020
	RUB'000	RUB'000
Therapy, surgery and other in-patient medical services	2,565,544	1,316,161
In vitro fertilisation (IVF)	1,907,774	1,345,704
Deliveries	1,340,407	1,147,748
Laboratory examinations and other medical services	1,202,068	664,633
Obstetrics and gynaecology out-patient treatments	1,068,559	889,270
Diagnostic center and other out-patient medical services	1,054,234	745,466
Oncology	1,027,471	329,328
Paediatrics out-patient treatments	730,290	536,839
Obstetrics and gynaecology in-patient treatments	502,471	486,237
Paediatrics in-patient treatments	301,738	273,042
Sales of goods	125,368	110,955
Storage of stem cells	94,964	66,213
Other income	88,051	62,001
	<b>12,008,939</b>	<b>7,973,597</b>

#### *Disaggregation of revenue*

The Group renders the services on the territory of the Russian Federation. The Group's operations and main revenue streams are those described in the table above.

The majority of the Group's customers are physical persons (77% of total revenue); some services are rendered to the governmental and non-governmental insurance companies and legal entities. All the contracts are fixed-price and short-term except for the contracts for the storage of stem cells.

## MD MEDICAL GROUP INVESTMENTS PLC

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six-month period from 1 January 2021 to 30 June 2021

#### 4. REVENUE (continued)

All the Group's revenue except for the revenue from the storage of stem cells and long-term contracts is recognised at the point in time when the services are provided; the revenue from the storage of stem cells and long-term contracts is recognised over the time of the contract.

The increase in therapy, surgery and other in-patient medical services as well as in oncology was due to capacity utilisation and further ramp-up at our new hospitals Lapino-2 and Lapino-4.

#### 5. COST OF SALES

	30 June 2021	30 June 2020
	<i>RUB'000</i>	<i>RUB'000</i>
Payroll and related social taxes	3,732,128	2,835,688
Materials and supplies used	2,609,800	1,428,024
Depreciation	674,401	604,342
Medical services	169,482	173,422
Energy and utilities	136,807	103,891
Property tax	74,532	95,862
Repair and maintenance	45,550	51,024
Other expenses	16,543	18,411
	<b>7,459,243</b>	<b>5,310,664</b>

#### 6. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

	30 June 2021	30 June 2020
	<i>RUB'000</i>	<i>RUB'000</i>
Payroll and related social taxes	931,597	727,918
Utilities and materials	129,715	119,066
Depreciation	100,951	83,487
Advertising	83,632	60,338
Acquiring and encashment	80,674	57,177
Amortisation	69,263	51,679
Other professional services	70,434	59,373
Commission fees	30,416	20,679
Communication costs	19,275	20,778
IT support	10,571	21,699
Learning and development	12,589	14,447
Independent auditors' remuneration	4,918	4,927
Other expenses	50,409	33,680
	<b>1,594,444</b>	<b>1,275,248</b>

#### 7. STAFF COSTS

	30 June 2021	30 June 2020
	<i>RUB'000</i>	<i>RUB'000</i>
Wages and salaries	3,658,307	2,775,283
Social insurance contributions and other taxes	1,005,418	788,323
<b>Total staff costs</b>	<b>4,663,725</b>	<b>3,563,606</b>

During six months ended 30 June 2021 the government grant amounted to RUB3,766 thousand was received to cover the additional payroll costs paid to doctors and other medical staff as a result of COVID-19 (for the six months ended 30 June 2020: RUB76,870 thousand). This amount reduced the staff costs accordingly.

## MD MEDICAL GROUP INVESTMENTS PLC

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six-month period from 1 January 2021 to 30 June 2021

#### 8. OTHER INCOME

During the six-month period ended 30 June 2020 the Group received other income of RUB199,959 thousand. This income arose mostly from the receipt of the compensation of costs caused by COVID-19 pandemic amounted to RUB134,999 thousand and property tax benefit amounted to RUB41,868 thousand by Lapino hospital.

#### 9. NET FINANCE EXPENSES

	30 June 2021 RUB'000	30 June 2020 RUB'000
<i>Interest income</i>		
Bank interest received	44,055	65,885
Initial recognition of other payables to tax authorities at market rate	-	54,431
Other finance income	-	187
<b>Finance income</b>	<b>44,055</b>	<b>120,503</b>
<i>Interest expense</i>		
Interest on bank loans	(181,148)	(161,237)
Unwinding of discount on other payables to tax authorities	(29,602)	(27,120)
Interest on leases	(21,999)	(28,323)
Other interest expenses	(20,572)	(10,764)
<i>Other finance expense</i>		
Impairment of trade and other receivables	(14,932)	(9,513)
Bank charges	(11,837)	(10,222)
Other impairment provision	(5,692)	-
<b>Finance expenses</b>	<b>(285,782)</b>	<b>(247,179)</b>
<b>Net foreign exchange transactions (loss) / gain</b>	<b>(42,206)</b>	<b>48,636</b>
<b>Net finance expenses</b>	<b>(283,933)</b>	<b>(78,040)</b>

#### 10. INCOME TAX

All Group companies, that are offering medical services, are operating in the Russian Federation and meet certain conditions, apply 0% income tax rate. Other companies apply standard income tax rate of 20% or 15%.

The Group recognised tax expense of RUB5,561 thousand in the reporting period mostly related to tax paid by service companies during six months ended 30 June 2021.

#### 11. EARNINGS PER SHARE

	30 June 2021	30 June 2020
Basic and fully diluted earnings attributable to the owners of the Company (RUB'000)	2,622,611	1,412,076
Weighted average number of ordinary shares in issue during the six-month period	75,125,010	75,125,010
<b>Basic and fully diluted earnings per share (RUB)</b>	<b>34.91</b>	<b>18.80</b>

#### 12. DIVIDENDS

On 3 September 2021 the Board of Directors recommended the payment of RUB1,352,250 thousand as interim dividends which corresponds to RUB18 per share.

On 19 March 2021 Board of Directors recommended the payment of RUB1,427,375 thousand as final dividends for the year 2020 which corresponds to RUB19.00 per share. The dividends were paid on 25 May 2021.

On 11 August 2020 the Board of Directors recommended the payment of RUB1,389,813 thousand as final dividends for the year 2019 which corresponds to RUB18.5 per share. The dividend distribution was approved by the Extraordinary General Meeting of the shareholders on 3 September 2020. The dividends were paid on 13 October 2020.

On 4 September 2020 the Board of Directors recommended the payment of RUB736,225 thousand as interim dividends which corresponds to RUB9.8 per share. The dividends were paid on 20 October 2020.

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### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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#### 13. PROPERTY, PLANT AND EQUIPMENT

Additions to property, plant and equipment during the six months ended 30 June 2021 amounted to RUB1,255,700 thousand and no borrowing costs were capitalised (Six month ended 30 June 2020: RUB 1,571,812 thousand including the amount of borrowing costs capitalised in the amount of RUB 88,910 thousand).

Disposals of property, plant and equipment amounted to RUB59,761 thousand. During the reporting period there were no any impairment.

As at 30 June 2021 construction in progress mainly includes equipment of Lapino-2 hospital amounted to RUB137,666 thousand to be installed.

#### 14. TRADE, OTHER RECEIVABLES AND DEFERRED EXPENSES

	<b>30 June 2021</b>	<b>31 December 2020</b>
	<i>RUB'000</i>	<i>RUB'000</i>
Trade receivables net of impairment provision	858,684	836,756
CAPEX prepayments	150,017	630,626
Advances paid to suppliers	147,378	116,807
Property tax to be reimbursed	57,683	-
Deferred expenses	7,564	6,081
Other receivables	46,139	48,329
	<b><u>1,267,465</u></b>	<b><u>1,638,599</u></b>
Non-current portion	150,017	630,626
Current portion	<u>1,117,448</u>	<u>1,007,973</u>
	<b><u>1,267,465</u></b>	<b><u>1,638,599</u></b>

CAPEX prepayments represent capital expenditure prepayments under contracts for construction works and acquisition of plant and equipment.

Ageing analysis of trade receivables:

	<b>Gross amount 30 June 2021</b>	<b>Impairment 30 June 2021</b>	<b>Gross amount 31 December 2020</b>	<b>Impairment 31 December 2020</b>
	<i>RUB'000</i>	<i>RUB'000</i>	<i>RUB'000</i>	<i>RUB'000</i>
Not past due	693,456	(8,237)	717,114	(3,188)
Past due	<u>290,668</u>	<u>(117,203)</u>	<u>231,113</u>	<u>(108,283)</u>
	<b><u>984,124</u></b>	<b><u>(125,440)</u></b>	<b><u>948,227</u></b>	<b><u>(111,471)</u></b>

In addition to the bad debt provision accrued as at 30 June 2021 the accounts receivable in the amount of RUB963 thousand were written-off during the six-month period ended 30 June 2021 (for the six-month period ended 30 June 2020: RUB2,224 thousand).

The Group performed the calculation of ECL rates separately for patients, legal entities and insurance companies, meanwhile ECL rates for the insurance companies were calculated based on their ratings.

## MD MEDICAL GROUP INVESTMENTS PLC

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#### 14. TRADE, OTHER RECEIVABLES AND DEFERRED EXPENSES (continued)

The following table provides information about the exposure to credit risk and ECLs for trade receivables for patients (physical persons) as at 30 June 2021.

Ageing	Status	Weighted-average loss rate	Gross carrying amount 2021 RUB'000	Loss allowance 2021 RUB'000	Gross carrying amount 2020 RUB'000	Loss allowance 2020 RUB'000	Credit-impaired
0-30 days	past due	3%	81,229	(2,119)	55,940	(8,837)	partly
31-60 days	past due	30%	14,309	(4,322)	16,781	(5,558)	partly
61-90 days	past due	47%	7,352	(3,480)	12,254	(6,770)	partly
more than 91 days	past due	60%	122,456	(73,515)	96,870	(56,077)	partly
<b>TOTAL</b>			<b>225,346</b>	<b>(83,436)</b>	<b>181,845</b>	<b>(77,242)</b>	

The following table provides information about the exposure to credit risk and ECLs for trade and other receivables for legal entities except insurance companies and amounts receivable from related parties as at 30 June 2021.

Ageing	Status	Weighted-average loss rate	Gross carrying amount 2021 RUB'000	Loss allowance 2021 RUB'000	Gross carrying amount 2020 RUB'000	Loss allowance 2020 RUB'000	Credit-impaired
0-30 days	not past due	21%	40,093	(8,237)	30,971	(3,188)	partly
31-60 days	past due	23%	26,597	(6,129)	13,952	(2,074)	partly
61-90 days	past due	27%	9,566	(2,570)	6,173	(1,147)	partly
more than 91 days	past due	81%	29,159	(23,543)	29,143	(26,300)	partly
<b>TOTAL</b>			<b>105,415</b>	<b>(40,479)</b>	<b>80,239</b>	<b>(32,709)</b>	

Based on the analysis of the historical data for accounts receivable from related parties amounted to RUB57,811 thousand and for accounts receivable from insurance companies amounted to RUB595,552 thousand no provision is accrued (the most part relates to accounts receivable from government funds amounted to RUB479,196 thousand for MHI services provided), due to it is not past due and the credit risk is low, except for those which licences had been revoked. Such provision of RUB1,525 thousand was accrued as at 30 June 2021 (31 December 2020: RUB1,520 thousand).

#### 15. CASH AND CASH EQUIVALENTS AND SHORT-TERM DEPOSITS

	30 June 2021 RUB'000	31 December 2020 RUB'000
Current bank accounts and cash in hand	1,009,611	921,812
Bank deposits with maturity less than 3 months	2,429,289	2,206,906
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>3,438,900</b>	<b>3,128,718</b>
Other short-term bank deposits with maturity more than 3 months	856,083	746,145
<b>TOTAL CASH AND CASH EQUIVALENTS AND SHORT-TERM DEPOSITS</b>	<b>4,294,983</b>	<b>3,874,863</b>

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#### 15. CASH AND CASH EQUIVALENTS AND SHORT-TERM DEPOSITS (continued)

Currency:

	30 June 2021	31 December 2020
	RUB'000	RUB'000
RUB	2,088,929	2,822,660
USD	2,206,049	1,052,197
EUR	5	6
	<b>4,294,983</b>	<b>3,874,863</b>

#### 16. SHARE CAPITAL

	Number of shares	Nominal value USD	Share capital RUB'000	Share capital USD'000
Authorised	125,250,000	0.08	-	10,020
Issued and fully paid ordinary shares	75,125,010	0.08	180,585	6,010

#### 17. LOANS AND BORROWINGS

	30 June 2021	31 December 2020
	RUB'000	RUB'000
<b>Long-term liabilities</b>		
Bank loans	3,944,682	4,801,332
Lease liabilities	379,889	429,145
<b>Short-term liabilities</b>		
Bank loans	1,711,915	1,508,632
Lease liabilities	93,495	78,889
<b>Total loans and borrowings</b>	<b>6,129,981</b>	<b>6,817,998</b>

Maturity of loans, borrowings and lease liabilities:

	30 June 2021	31 December 2020
	RUB'000	RUB'000
Within one year	1,805,410	1,587,521
Between one and five years	4,012,186	4,626,670
More than 5 years	312,385	603,807
	<b>6,129,981</b>	<b>6,817,998</b>

The terms and debt repayment schedule of loans and lease liabilities are as follows:

		Effective interest rate	Maturity	30 June 2021		31 December 2020	
	Currency			Face value RUB'000	Carrying amount RUB'000	Face value RUB'000	Carrying amount RUB'000
Unsecured bank loan	RUB	5.98%	2026	2,717,002	2,717,002	2,964,085	2,964,085
Unsecured bank loan	RUB	5.96%	2024	1,342,952	1,342,952	1,373,737	1,373,737
Unsecured bank loan	RUB	5.81%	2023	1,281,324	1,281,324	1,551,652	1,551,652
Unsecured bank loan	RUB	6.05%	2022	315,319	315,319	420,490	420,490
Current lease liabilities	RUB	7.88%	2021-2022	93,495	93,495	78,889	78,889
Non-current lease liabilities	RUB	8.50%	2022-2029	379,889	379,889	429,145	429,145
				<b>6,129,981</b>	<b>6,129,981</b>	<b>6,817,998</b>	<b>6,817,998</b>



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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
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### 17. LOANS AND BORROWINGS (continued)

#### *Reconciliation of movements of financial liabilities to cash flows arising from financing activities*

	30 June 2021		30 June 2020	
	Bank loans	Lease liabilities	Bank loans	Lease liabilities
	RUB'000	RUB'000	RUB'000	RUB'000
<b>Balance at 1 January</b>	<b>6,309,964</b>	<b>508,034</b>	<b>6,448,257</b>	<b>649,990</b>
Proceeds from loans and borrowings	-	-	854,019	-
Repayment of loans and borrowings	(653,894)	-	(903,005)	-
Payments of lease liabilities	-	(74,985)	-	(73,587)
Interest paid included in financing cash flows	(180,621)	-	(170,350)	-
Interest paid included in investment cash flows	-	-	(88,910)	-
<b>Total changes in cash flows</b>	<b>(834,515)</b>	<b>(74,985)</b>	<b>(308,246)</b>	<b>(73,587)</b>
<b>Liability-related changes</b>				
Discounts on lease agreements	-	-	-	(9,361)
Additions of lease liabilities	-	59,419	-	31,612
Leases terminated	-	(41,083)	-	(4,084)
Finance expenses accrued in PL	181,148	21,999	161,237	28,323
Finance expenses capitalised in PPE	-	-	88,910	-
<b>Total liability-related other changes</b>	<b>181,148</b>	<b>40,335</b>	<b>250,147</b>	<b>46,490</b>
<b>Balance at 30 June</b>	<b>5,656,597</b>	<b>473,384</b>	<b>6,390,158</b>	<b>622,893</b>

### 18. CONTRACT LIABILITIES

Contract liabilities that relate to long term client advances represent money received from patients on stem cells storage contracts lasting from 1 to 30 years and long-term contracts for offering medical services lasting from 1 to 5 years. Contract liabilities that relate to short term client advances represent money received from patients on stem cells storage contracts, childbirth management contracts lasting from 1 to 9 months, and other contracts valid up to 1 year.

### 19. TRADE AND OTHER PAYABLES

	30 June 2021	31 December 2020
	RUB'000	RUB'000
Trade payables	835,726	1,058,858
Other payables to tax authorities	750,736	840,119
Accruals	702,190	561,839
Payables to employees	321,585	418,204
Taxes payable	248,360	204,962
CAPEX payables	239,935	193,731
Income tax liability	1,245	1,384
Other payables	36,264	31,034
	<b>3,136,041</b>	<b>3,310,131</b>
Non-current portion	590,460	679,843
Current portion	2,545,581	2,630,288
	<b>3,136,041</b>	<b>3,310,131</b>

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## 20. RELATED PARTY TRANSACTIONS

### 20.1. Operations with key management personnel

The remuneration of the members of the key management personnel and non-executive directors for the six-month period ended 30 June 2021 was RUB60,711 thousand (for the six-month period ended 30 June 2020: RUB56,047 thousand).

The remuneration of the members of the key management personnel which remained unpaid as at 30 June 2021 was RUB8,163 thousand (31 December 2020: RUB32,365 thousand).

The Group provided medical services using telemedicine technologies to related parties amounted to RUB117,323 thousand for the six-month period ended 30 June 2021 (for the six-month period ended 30 June 2020: RUB45,969 thousand).

The receivables from medical services using telemedicine technologies which remained unpaid as at 30 June 2021 was RUB40,051 thousand (31 December 2020: RUB31,132 thousand).

The Group received medical services from related parties amounted to RUB34,309 thousand for the six-month period ended 30 June 2021 (for the six-month period ended 30 June 2020: RUB22,864 thousand).

The payables from medical services which remained unpaid as at 30 June 2021 was RUB21,777 thousand (31 December 2020: RUB8,523 thousand).

The Group purchased medical materials from related parties amounted to RUB66,790 thousand for the six-month period ended 30 June 2021 (for the six-month period ended 30 June 2020: RUB39,601 thousand).

The prepayments for medical materials as at 30 June 2021 were RUB17,393 thousand (the payables as at 31 December 2020: RUB29,238 thousand).

The Group provided services to the key management personnel under non-exclusive commercial concession agreement for the six-month period ended 30 June 2021 amounted to RUB730 thousand (for the six-month period ended 30 June 2020: RUB503 thousand).

The receivables from services under non-exclusive commercial concession agreements which remained unpaid as at 30 June 2021 was RUB367 thousand (31 December 2020: RUB496 thousand).

The Group purchased intangible assets amounted to RUB5,010 thousand from related parties for the six-month period ended 30 June 2021 (for the six-month period ended 30 June 2020: nil).

### 20.2. Directors' interests

The direct and indirect interests of the members of the Board in titles of the Company as at 30 June 2021, 31 December 2020 and as at the date of signing these condensed consolidated interim financial statements are as follows:

<u>Name</u>	<u>Type of interest</u>	<u>Effective interest %</u>
Mark Kurtser	Indirect ownership of shares	67.90
Kirill Dmitriev	Indirect interest in shares	5.55
Simon Rowlands	Direct ownership of shares	0.33
Vitaly Ustimenko	Direct ownership of shares	0.005

Indirect interest in shares by Kirill Dmitriev arises through his capacity as key management personnel of indirect shareholder.

The calculation of effective interest is based on the total amount of issued and fully paid shares, including treasury shares acquired by the Company.

## **MD MEDICAL GROUP INVESTMENTS PLC**

### **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

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#### **21. CAPITAL COMMITMENTS**

Capital commitments mostly comprise of the obligations under construction contracts in the amount of RUB155,008 thousand as at 30 June 2021 (31 December 2020: RUB456,013 thousand).

#### **22. EVENTS AFTER THE REPORTING PERIOD**

On 3 September 2021 the Board of Directors recommended the payment of RUB1,352,250 thousand as interim dividends which corresponds to RUB18 per share.

The Group started construction of new multifunctional hospitals in Saint-Petersburg and Tyumen in the 3rd quarter of 2021.

No other significant events occurred after the reporting period.