



MOTHER & CHILD
GROUP OF COMPANIES

MDMG REPORTS 44% GROWTH IN REVENUE IN 9M 2021

1 November 2021 – MD Medical Group Investments Plc (“MD Medical Group”, “MDMG” or the “Company” – LSE, MOEX: MDMG), a leading Russian private healthcare provider, today announces its operating and unaudited financial results for 9M 2021.

Key highlights for 9M 2021:

- Total **revenue** increased by 44% year-on-year (y-o-y) to RUB 18,245 mln;
- Total **deliveries** grew 9% y-o-y and amounted to 6,267. **Revenue** from deliveries increased by 17% y-o-y to RUB 2,108 mln;
- Total **IVF** cycles increased by 21% y-o-y to 12,367. **Revenue** from IVF increased by 26% y-o-y to RUB 2,918 mln;
- Total **in-patient treatments** increased by 45% y-o-y to 110,142. **Revenue** from in-patient treatments increased by 85% y-o-y to RUB 6,605 mln;
- Total **out-patient treatments** increased by 17% y-o-y to 1,358,579. **Revenue** from out-patient treatments increased by 24% y-o-y to RUB 4,352 mln.

Mark Kurtser, CEO of MD Medical Group, said:

“In Q3 2021, we continued to demonstrate positive dynamics in our key operating and financial performance, in line with our performance earlier in the year. As a result, in the first nine months we demonstrated sustainable growth by significantly improving all key operational results, which was reflected in significant growth in our revenue. At the same time, revenue growth across all key business lines exceeded that of the volume of services thanks to higher average checks.

“I want to specifically highlight growth in deliveries by 9% year-on-year in the first nine months of the year. In particular, we saw strong 7% growth at our Moscow hospitals. At the same time, our regional hospitals in Samara and Tyumen also demonstrated very strong growth – by 51% year-on-year and 38% year-on-year, respectively. We continue to successfully ramp-up our new hospitals, which is a driver of further growth for our business.

“In the reporting period, we saw growth not only in our more traditional service lines which marked the inception of the Group but also across a wide range of services where we have been strengthening our competencies in recent years. Thanks to such services as oncology, internal medicine, traumatology and cardiology, we increased the number of in-patient days by 45%. We expect that the development of these medical services will continue thanks to the expansion of our network of multi-disciplinary hospitals and specialised centres, such as the recently opened out-patient Oncological Care Centre in Mozhaysk (the second of its kind in our network), where patients may be directed to Lapino-2 for further treatment.

“We have continued to successfully execute our investment programme focusing on the construction of five new hospitals, which we presented this summer. We are actively building two multi-disciplinary hospitals – in St Petersburg and Tyumen – which will initially focus on treating patients with COVID-19,

thus contributing to the fight against the pandemic in these two major Russian regions. We will commission these hospitals by the end of 2021 and welcome the first patients early in 2022. In addition, we are at the planning and design stage for our upcoming three hospitals in Lapino and Domodedovo which we plan to open in 2023–2024, thus significantly strengthening our leading position in Moscow and the Moscow Region.

“As we demonstrated solid results in the first nine months of the year, we continue to ramp up our existing hospitals and build new assets in order to maintain our sustainable growth going forward”.

Key operational highlights for 9M 2021:

Deliveries

- In 9M 2021, total and LFL deliveries increased by 9% y-o-y and amounted to 6,267. Key growth drivers were the following Group’s hospitals:
 - Deliveries at the Moscow hospitals grew by 7% y-o-y;
 - Deliveries at Mother&Child IDK Samara clinical hospital grew by 51% y-o-y;
 - Deliveries at Mother&Child Tyumen clinical hospital grew by 38% y-o-y.
- Revenue from deliveries grew by 17% y-o-y and amounted to RUB 2,108 mln, or 12% of the Group’s total revenue;
- The average check for deliveries amounted to RUB 470 thsd (up by 10% y-o-y) in Moscow and the Moscow Region, and RUB 163 thsd in the regions (up by 6% y-o-y).

IVF

- In 9M 2021, total IVF cycles and total LFL IVF cycles increased by 21% y-o-y to 12,367;
- Cycles completed under the Mandatory Health Insurance (MHI) programme accounted for 51% of the total number of cycles for 9M 2021;
- Revenue from IVF increased by 26% y-o-y to RUB 2,918 mln, or 16% of the Group’s total revenue;
- MHI services accounted for 35% of revenue from IVF, up 2 p.p. y-o-y;
- The average check for commercial IVF was flat y-o-y and amounted to RUB 316 thsd, while the average check for IVF cycles under MHI increased by 11% y-o-y to RUB 161 thsd.

In-patient treatments

- In 9M 2021, total in-patient treatments and total LFL in-patient treatments grew by 45% y-o-y to 110,142 on the back of:
 - A 128% increase in oncology in-patient treatments;
 - A 58% increase in internal medicine in-patient treatments;
 - A 43% increase in traumatology in-patient treatments;
 - A 36% increase in cardiology in-patient treatments.

The key growth drivers were hospitals in Lapino, Tyumen, Ufa and Samara.

- Revenue from in-patient treatments grew by 85% y-o-y to RUB 6,605 mln, or 36% of the Group’s total revenue. This growth was mainly driven by the clinical hospital Lapino;

- The average check for in-patient treatments amounted to RUB 79 thsd (up by 29% y-o-y) in Moscow and the Moscow Region and RUB 35 thsd in other regions (up by 8% y-o-y). Growth in the average check was driven by the development of oncology and cardiology – both in Moscow and the regions. The average check growth was also driven by treatment of COVID-19 patients.

Out-patient treatments

- In 9M 2021, total out-patient treatments increased by 17% y-o-y to 1,358,579;
- Total LFL out-patient treatments increased by 17% y-o-y to 1,358,312;
- Revenue from out-patient treatments increased by 24% y-o-y to RUB 4,352 mln, or 24% of the Group's total revenue;
- The average check for out-patient treatments amounted to RUB 4.9 thsd (up by 2% y-o-y) in Moscow and the Moscow Region and RUB 2.1 thsd (up by 11% y-o-y) in other regions.

Revenue and average check

In 9M 2021, total revenue grew by 44% y-o-y (up by RUB 5,535 mln y-o-y) to RUB 18,245 mln on the back of revenue growth for the following service lines:

- A 85% increase in revenue from in-patient treatments;
- A 50% increase in other revenue;
- A 26% increase in revenue from IVF;
- A 24% increase in revenue from out-patient treatments;
- A 17% increase in revenue from deliveries.

The average check for key services in 9M 2021 amounted to:

- RUB 336 thsd for deliveries, up by 8% y-o-y;
 - Moscow and the Moscow Region – RUB 470 thsd;
 - Other regions – RUB 163 thsd;
- RUB 236 thsd for IVF, up by 4% y-o-y;
- RUB 60 thsd for in-patient treatments, up by 28% y-o-y;
- RUB 3.2 thsd for out-patient treatments, up by 5% y-o-y.

Net debt

As of 30 September 2021, net debt decreased by 47% (by RUB 1,371 mln) to RUB 1,572 mln, compared to 31 December 2020.

CAPEX

Total CAPEX in 9M 2021 increased by 17% y-o-y to RUB 2,273 mln. Major investments included construction of two new multi-functional hospitals in St Petersburg and Tyumen.

Operating results for Q3 and 9M 2021

	Consolidated data						Like-for-like		
	9M 2021	9M 2020	y-o-y, %	Q3 2021	Q3 2020	y-o-y, %	9M 2021	9M 2020	y-o-y, %
OBSTETRICS AND GYNAECOLOGY									
Deliveries	6,267	5,739	+9%	2,239	2,071	+8%	6,267	5,739	+9%
In-patient treatments (except deliveries)	14,632	15,020	-3%	4,711	5,311	-11%	14,632	15,020	-3%
Out-patient treatments	422,239	394,557	+7%	141,856	140,564	+1%	422,239	394,557	+7%
IVF									
IVF	12,367	10,241	+21%	4,213	4,444	-5%	12,367	10,241	+21%
PAEDIATRICS									
In-patient treatments	16,187	14,415	+12%	5,590	3,840	+46%	16,187	14,415	+12%
Out-patient treatments	332,739	277,784	+20%	119,247	110,765	+8%	332,475	277,784	+20%
OTHER MEDICAL SERVICES									
In-patient treatments	79,323	46,778	+70%	23,826	15,820	+51%	79,323	46,778	+70%
Out-patient treatments	603,601	485,175	+24%	200,090	177,046	+13%	603,598	485,175	+24%
TOTAL									
Total deliveries	6,267	5,739	+9%	2,239	2,071	+8%	6,267	5,739	+9%
Total IVF	12,367	10,241	+21%	4,213	4,444	-5%	12,367	10,241	+21%
Total in-patient treatments	110,142	76,213	+45%	34,127	24,971	+37%	110,142	76,213	+45%
Total out-patient treatments	1,358,579	1,157,516	+17%	461,193	428,375	+8%	1,358,312	1,157,516	+17%

Revenue for 9M 2021, RUB mln¹

	Consolidated data			Like-for-like		
	9M 2021	9M 2020	y-o-y, %	9M 2021	9M 2020	y-o-y, %
Deliveries	2,108	1,796	+17%	2,108	1,796	+17%
IVF	2,918	2,324	+26%	2,918	2,324	+26%
In-patient treatments	6,605	3,569	+85%	6,605	3,569	+85%
Out-patient treatments	4,352	3,512	+24%	4,350	3,512	+24%
Other revenue	2,262	1,508	+50%	2,259	1,508	+50%
Total revenue	18,245	12,710	+44%	18,240	12,710	+44%

Average check for 9M 2021, RUB thsd¹

	Consolidated data			Like-for-like		
	9M 2021	9M 2020	y-o-y, %	9M 2021	9M 2020	y-o-y, %
Deliveries	336	313	+8%	336	313	+8%
Moscow and the Moscow Region	470	429	+10%	470	429	+10%
Other regions	163	154	+6%	163	154	+6%
IVF	236	227	+4%	236	227	+4%
Commercial cycles	316	316	0%	316	316	0%
MHI	161	145	+11%	161	145	+11%
In-patient treatments	60.0	46.8	+28%	60.0	46.8	+28%
Moscow and the Moscow Region	79.4	61.5	+29%	79.4	61.5	+29%
Other regions	35.2	32.5	+8%	35.2	32.5	+8%
Out-patient treatments	3.2	3.0	+5%	3.2	3.0	+5%

¹ Minor discrepancies in calculating percentage changes and totals in this and other tables of this press release are due to rounding. Data is based on management accounts.

This announcement contains inside information.

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About MD Medical Group

MD Medical Group is a leading provider in the highly attractive Russian private healthcare service market. The company manages 43 modern healthcare facilities, including 6 hospitals and 37 out-patient clinics in Moscow and the Moscow Region, St. Petersburg, Ufa, Perm, Samara and the Samara Region, Novosibirsk, Irkutsk, Yaroslavl, Ryazan, Kostroma, Novokuznetsk, Krasnoyarsk, Omsk, Barnaul, Vladimir, Tyumen, Voronezh, Nizhny Novgorod, Volgograd, Tula, Kazan, Vladivostok, Krasnodar and Rostov-on-Don.

The Company's shares have been listed on the London Stock Exchange (LSE ticker "MDMG") in the form of Global Depositary Receipts (GDRs) since 12 October 2012.

Since 9 November 2020, the Company's GDRs are traded also on the Moscow Exchange. Quotation is done in Russian Rubles.

Forward-Looking Statements:

This press release contains forward looking statements, which are based on the Company's current expectations and assumptions and may involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. The forward looking statements contained in this press release are based on past trends or activities and should not be taken that such trends or activities will continue in the future. It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a number of variables which could cause actual results or trends to differ materially, including, but not limited to: conditions in the market, market position of the Company, earnings, financial position, cash flows, return on capital and operating margins, anticipated investments and economic conditions; the Company's ability to obtain capital/additional finance; a reduction in demand by customers; an increase in competition; an unexpected decline in revenue or profitability; legislative, fiscal and regulatory developments, including, but not limited to, changes in environmental and health and safety regulations; exchange rate fluctuations; retention of senior management; the maintenance of labour relations; fluctuations in the cost of input costs; and operating and financial restrictions as a result of financing arrangements.

No statement in this press release is intended to constitute a profit forecast, nor should any statements be interpreted to mean that earnings or earnings per share will necessarily be greater or lesser than those for the relevant preceding financial periods for the Company. Each forward looking statement relates only as of the date of the particular statement.