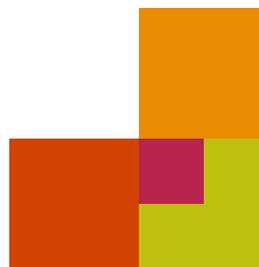


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MOTHER & CHILD
GROUP OF COMPANIES



MD MEDICAL GROUP

RENAISSANCE CAPITAL'S 23rd ANNUAL RUSSIA INVESTOR CONFERENCE



June, 2019





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This presentation 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 presentation are based on past trends or activities and should not be taken as a representation 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.

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1

**KEY COMPANY RESULTS
FOR FY 2018**

FINANCIAL AND OPERATIONAL RESULTS FOR 2018

FINANCIAL RESULTS

14,937

RUB MLN
REVENUE
+ 9% (2018/2017)

3,833

RUB MLN
REVENUE
+ 11% (Q1'19/Q1'18)

4,314

RUB MLN
EBITDA
+ 4% (2018/2017)

29%

EBITDA
MARGIN
- 1 p.p. (2018/2017)

2,831

RUB MLN
NET PROFIT
+ 5% (2018/2017)

42*

CLINICS/HOSPITALS
36 CLINICS
6 HOSPITALS
23 REGIONS

OPERATIONAL RESULTS

7,277

DELIVERIES
+ 7% (2018/2017)

16,636

IVF CYCLES
-1% (2018/2017)

72,371

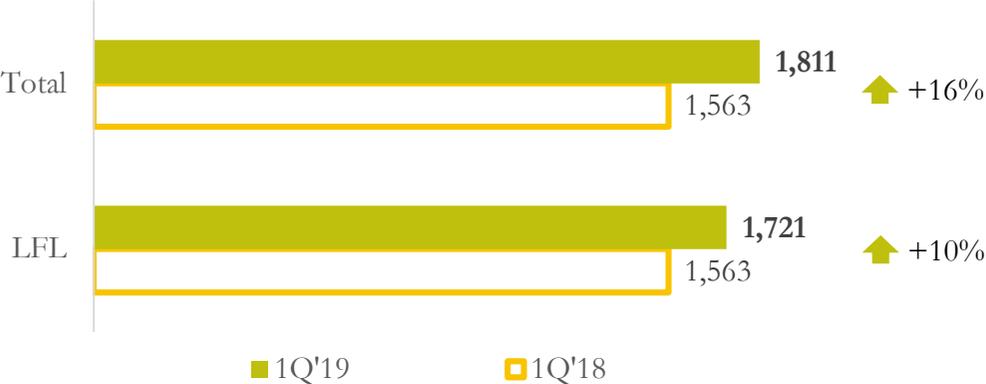
IN-PATIENT DAYS
+ 18% (2018/2017)

1,618,149

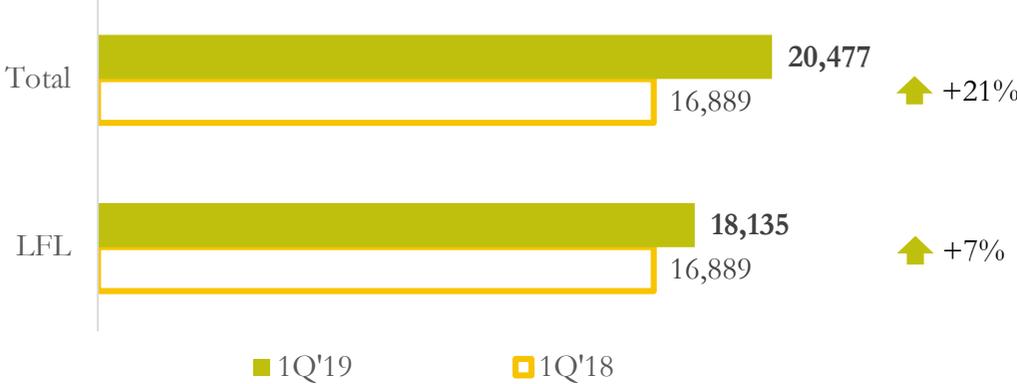
OUT-PATENT
TREATMENTS
+ 6% (2018/2017)

OPERATIONAL RESULTS FOR Q1 2019

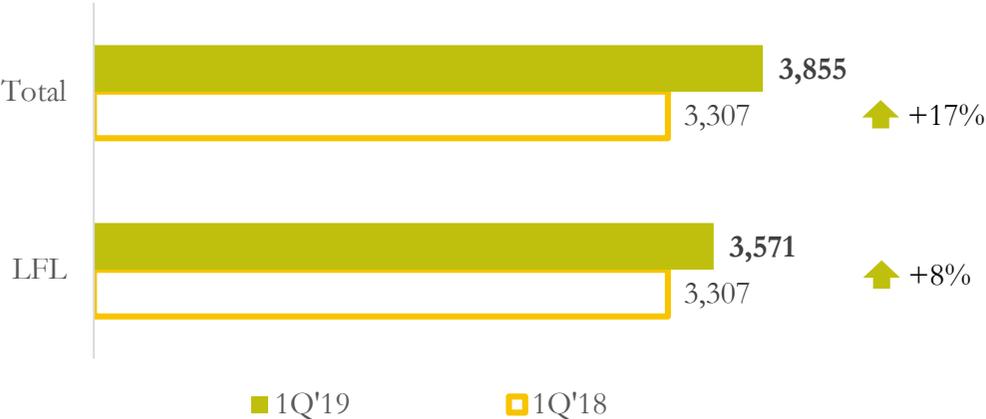
Deliveries



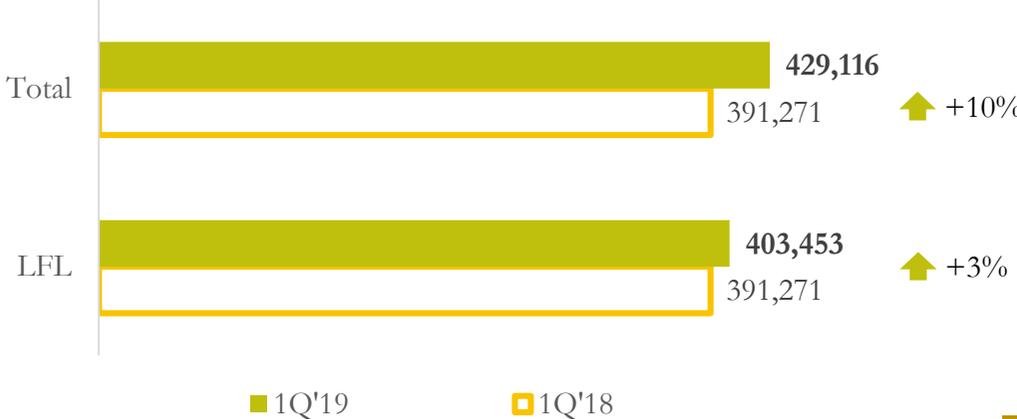
In-patient treatments



IVF cycles

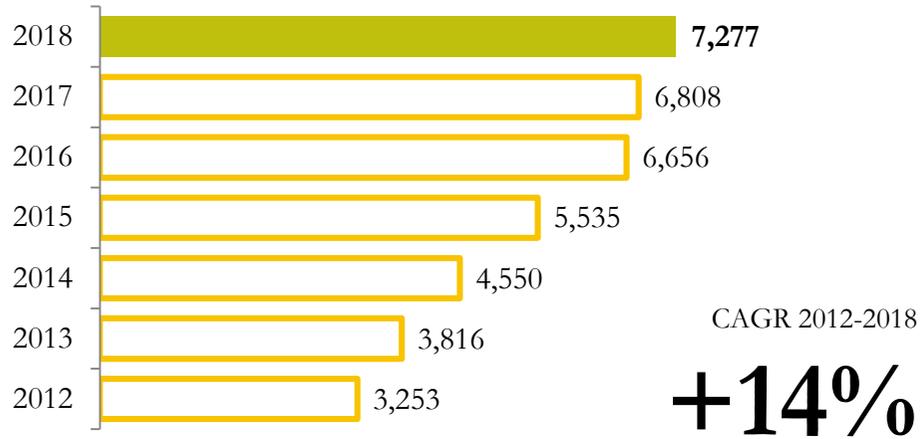


Out-patient treatments

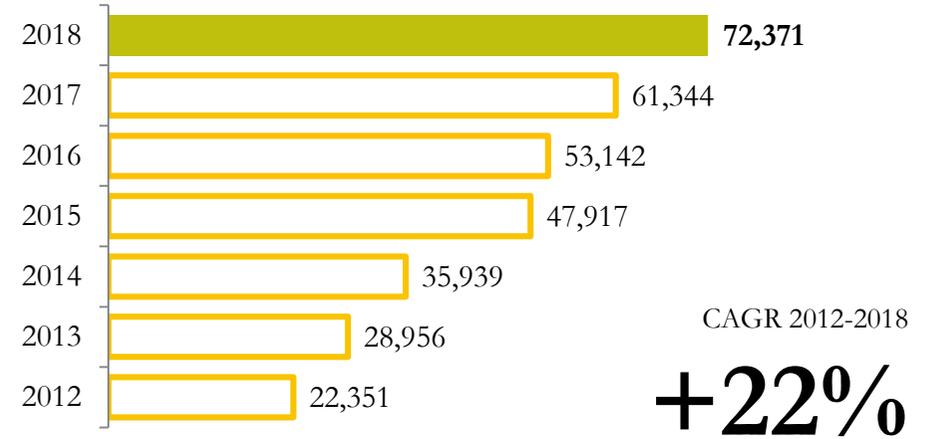


OPERATIONAL RESULTS DYNAMICS

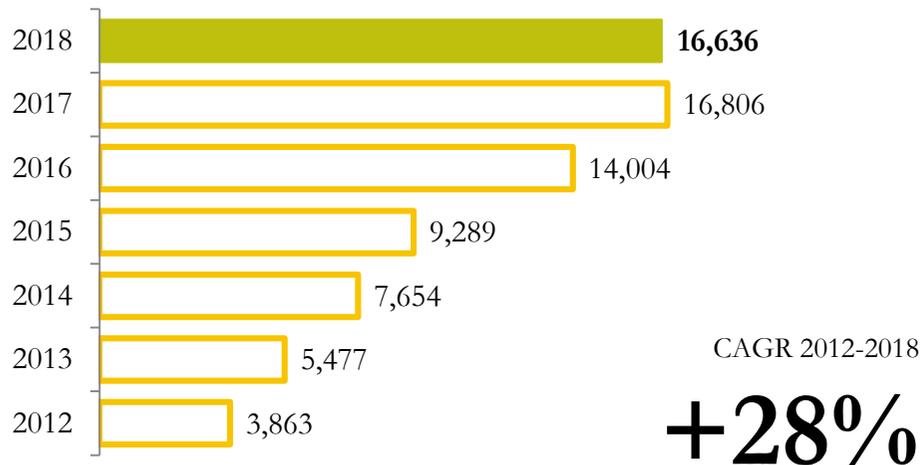
Deliveries



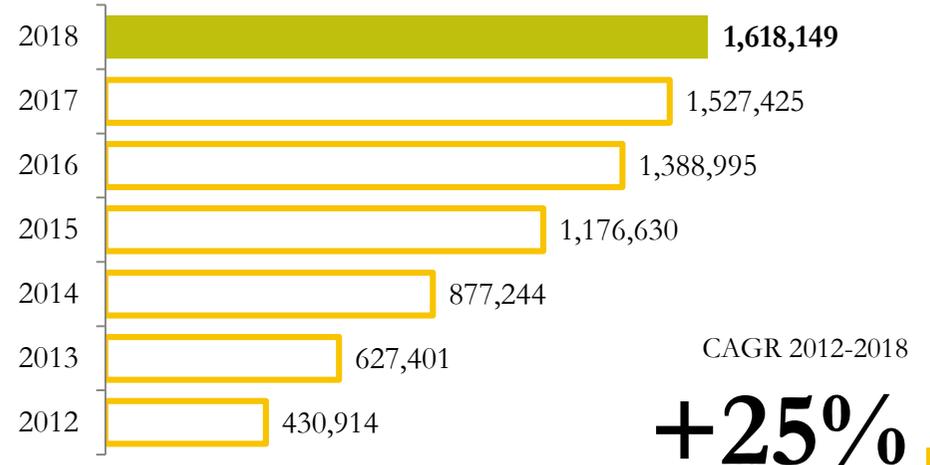
In-patient treatments



IVF cycles

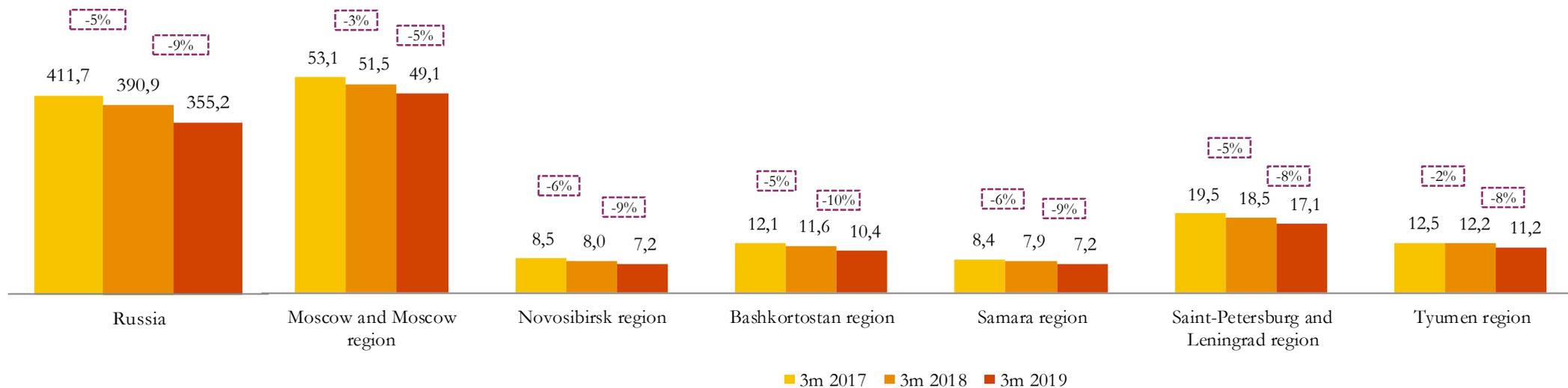


Out-patient treatments

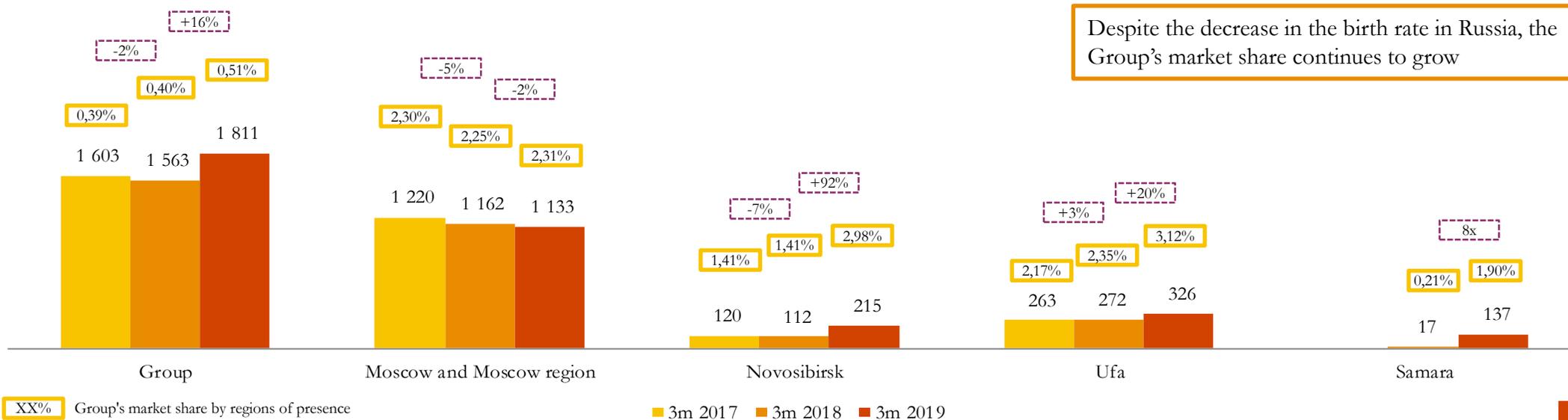


NUMBER OF BIRTHS BY REGIONS IN RUSSIA

Number of births by regions in Russia 3M 2019/3M 2018/ 3M 2017, thsd deliveries



Number of deliveries by region 3M 2019/3M 2018/ 3M 2017, MD Medical Group



Despite the decrease in the birth rate in Russia, the Group's market share continues to grow

XX% Group's market share by regions of presence

+XX% Growth y-o-y

Source: Rosstat and management accounts

3m 2017 3m 2018 3m 2019

2

STRATEGIC OUTLOOK

42 MODERN MEDICAL FACILITIES ACROSS RUSSIA

42

MEDICAL CENTRES

6

HOSPITALS

36

CLINICS

26

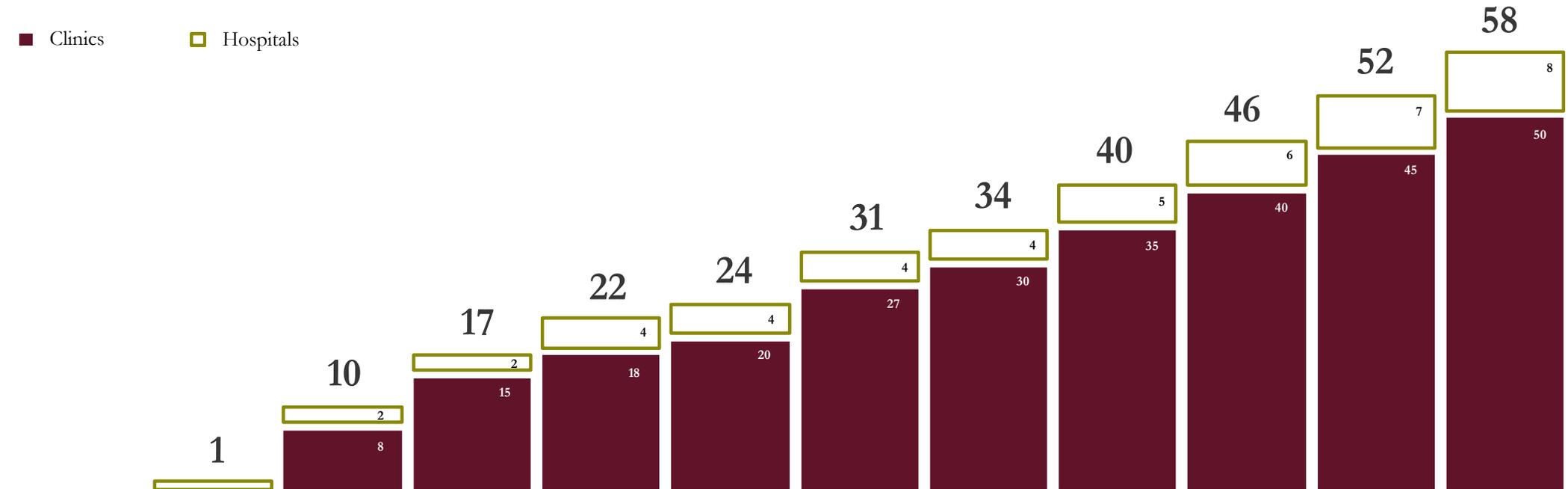
CITIES

≈ 7,500

EMPLOYEES



EXPANSION STRATEGY



	2006	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
New hospitals	PMC	Lapino		Ufa			Novosibirsk - 2	Samara	Tyumen, PMC renovation (surgery department)	Lapino-2	St Petersburg
New clinics		Perm	Yaroslav		Ryazan	Kostroma, Odintsovo, Khodynское field	Tyumen, Voronezh	Nizhny Novgorod, Vladimir, Kostroma, Lefortovo (Moscow), Volgograd, Tula, Kazan, expansion of M&C Yugo-Zapad	5 out-patient regional clinics	5 out-patient regional clinics	5 out-patient regional clinics
M&A			IDK (Samara) Clinic in Irkutsk	Avicenna (Novosibirsk)	Medica (Novokuznetsk)	AMG (Krasnoyarsk, Omsk, Barnaul and Novosibirsk)					

STATUS OF HOSPITAL PROJECTS

	CURRENT	
	Lapino-2	St Petersburg
Obtaining land for construction	Done	Done
Building permits	Done	Done
Preparation of the designing documentation	Done	Done
Construction	In progress	In progress
Equipment		
Launch	2020	2021

	PROJECTS IN DEVELOPMENT					
	Kazan	Nizhny Novgorod	Ekaterinburg	Moscow - 3	Krasnoyarsk	Irkutsk
Obtaining land for construction	Done	Done	Done			
Building permits	In progress					
Preparation of the designing documentation	In progress					
Construction						
Equipment						
Launch						

- Done
- In progress

PROVEN MODEL FOR DEVELOPMENT OF REGIONAL HOSPITALS

Well designed prototype

- Target size well suited to cover local demand and effectively reach target utilization rates
- Comprehensive service offering for the entire family
- Adaptable layout and departments structure allowing utilization of beds
- Samara expertise serves to establish demand and hire required personnel

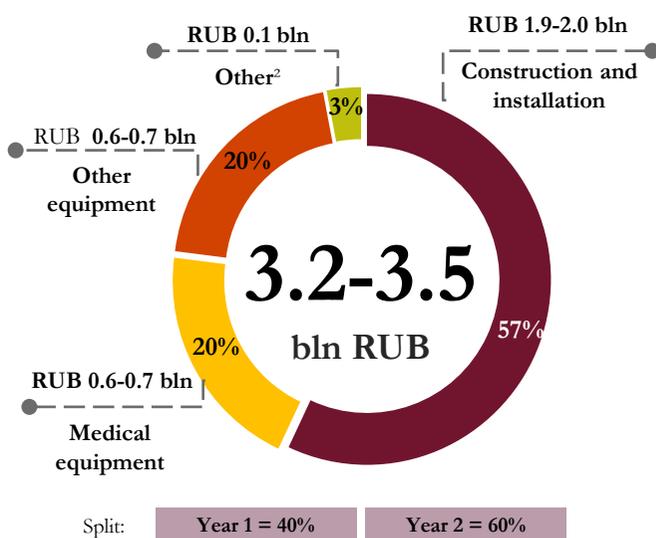
Key parameters

Construction timetable	c. 18-20 months
Building area	15,000 sq m
Beds	164
Headcount	c. 450 employees

Estimated capacity¹

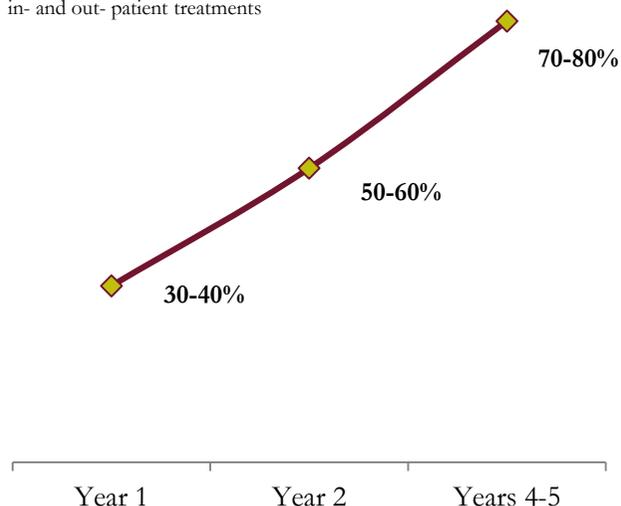
2,500 deliveries	1,200 IVF cycles
220k out-patient treatments	30k in-patient days

Estimated capex split



Targeted utilisation ramp-up

Applicable to deliveries, IVF and in- and out- patient treatments



Estimated pricing policy

Product	Pricing benchmark
Deliveries	Samara hospital c. RUB 160-180 ths
IVF	Samara hospital c. RUB 220-240 ths
In-patient treatments	Samara hospital c. RUB 40-50 ths
Out-patient treatments	Samara hospital c. RUB 2-3 ths

Note: ¹ Rounded numbers according to design project ;
Source: management accounts

KEY EVENTS OF 2018 YEAR: LAUNCH OF MULTIFUNCTIONAL HOSPITAL IN SAMARA

CAPEX

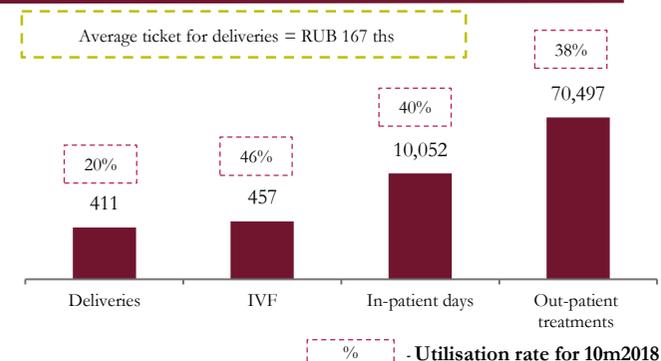
3.2 bln RUB

Multifunctional hospital

Offered services:

- Obstetrics
- Gynecology
- IVF
- Paediatrics
- Surgery
- Diagnostics
- Laboratory
- Other services

Operational results for 10m2018



15,000
sq m

164
beds

2,500
deliveries

1,200
IVF cycles

8,000
surgeries

220,000
out-patient treatments

LAUNCH OF MULTIFUNCTIONAL HOSPITAL IN TYUMEN

CAPEX

3.2 bln RUB

Multifunctional hospital

New hospital will render services for the whole family in different types of medical services:

- Obstetrics
- Paediatrics
- Surgery
- Gynecology
- Diagnostics
- Other medical services
- IVF
- Laboratory

Project schedule

21 June 2017

The ceremony of the laying of the first stone in the construction of new multifunctional clinical hospital in Tyumen

05 April 2019

Solemn ceremony of hospital opening



15,000
sq m

164
beds

2,500
deliveries

1,200
IVF cycles

8,500
surgeries

220,000
out-patient treatments

LAUNCH OF MULTIFUNCTIONAL HOSPITAL LAPINO-2 IS PLANNED IN 2020

CAPEX

4.2 bln RUB

Surgical building Lapino-2 includes:

- Diagnostical department
- In-patient department
- 4 operating theatres for planned surgeries
- 2 operating theatres for emergency surgeries
- Intensive care unit with 13 beds
- Multi-level parking facility for 277 cars (CAPEX RUB 300 mln)

Lapino-3 (developing project)

- Construction of radiology center that will include radiation therapy, radionuclide diagnostic and therapy.
- Center will be equipped with 2 linear accelerators, PET/CT scanner including synthesis of radiopharmaceuticals and active beds for radionuclide therapy.



18,500
sq m

88
beds

380
FTE in 2021

27,000
in-patient days

15,000
surgeries

200,000
out-patient treatments

LAUNCH OF MULTIFUNCTIONAL HOSPITAL IN ST PETERSBURG IS PLANNED IN 2021

CAPEX

5.0 bln RUB

Multifunctional hospital

Hospital will consist of 2 buildings:

- Multifunctional high-technological inpatient facility with total area of more than **18,500** sq m
- Out-patient centre with area of more than **3,500** sq m

Wide range of services

In-patient facilities will offer services including :

- OBGYN
- Urology
- Surgery for children and adults
- Emergency cardiology for patients with acute coronary syndrome

Out-patient facilities will offer services including:

- Children's polyclinic
- Maternity welfare centre
- Clinical-diagnostic centre for adults



22,000
sq m

178
beds

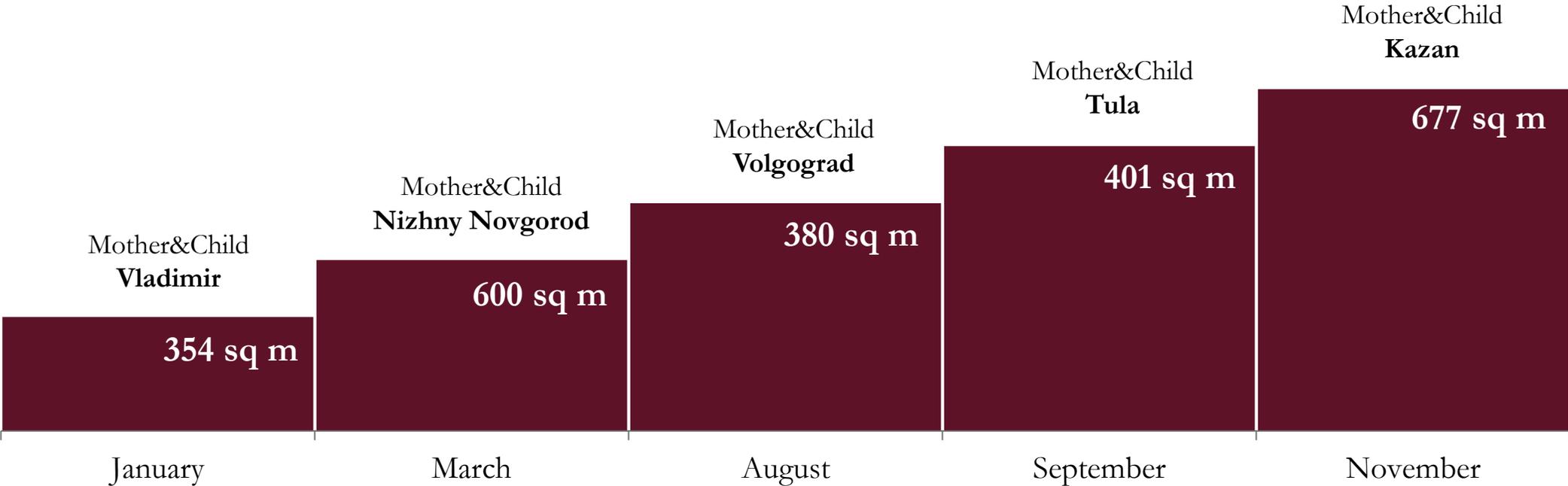
2,500
deliveries

1,200
IVF cycles

35,000
in-patient days

350,000
out-patient treatments

31 regional medical centres* at the end of 2018



Expansion in mid-term: opening of 10-15 out-patient clinics

Regions of expansion: Central Russia, Volga region, Far East

CAPEX: RUB 45-75 mln

Area: 400 – 700 sq m

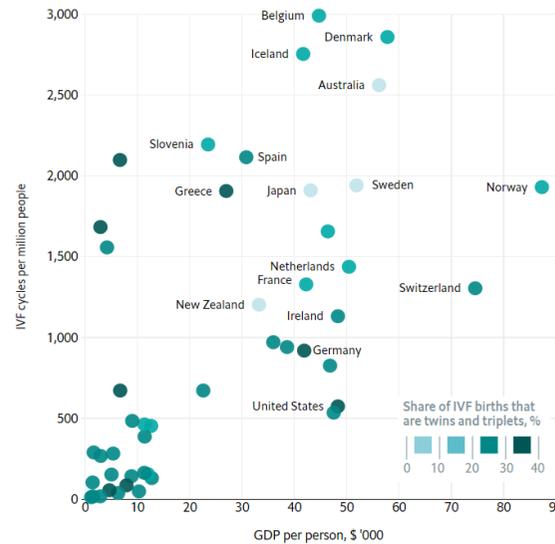
* excluding Moscow and Moscow region

STANDARDISED MODEL OF REGIONAL DEVELOPMENT OF WOMEN'S HEALTH CLINIC

Market review

- Current market volume of IVF cycles in Russia is estimated in 120 ths cycles or 700 cycles per 1 mln people
- Average number of IVF cycles in developed countries is about 1,5-2 ths cycles per 1 mln people
- Therefore, potential market of IVF cycles in Russia has ability to be 2-3 times higher with 200-300 ths IVF cycles per year

IVF statistics, global data



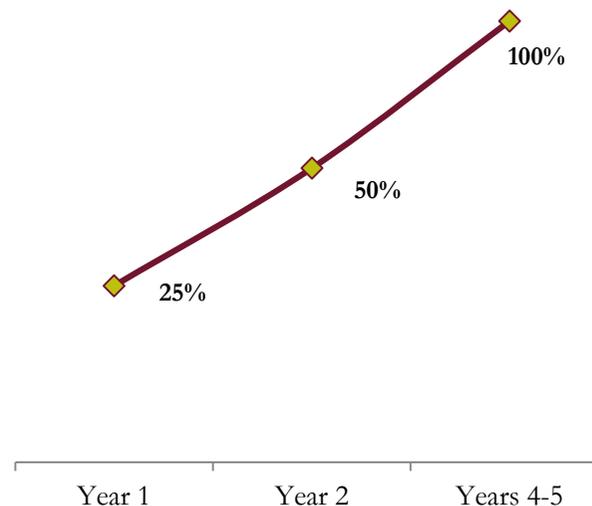
Forecast of Mother and Child results

- The share of Mother and Child on IVF market is about 17%
- Opening of new IVF clinics will increase capacities of Mother and Child to 40 ths IVF cycles per year which is about 25-30% of market share with a forecast of market growth by 10-15% in the following 3 years

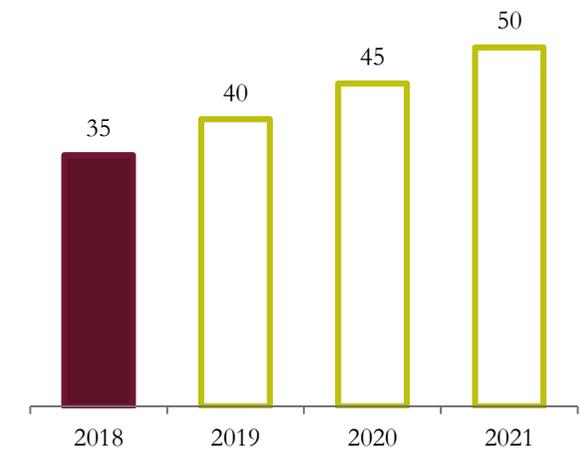
Capacity of regional IVF clinic

500 IVF cycles per year	45-75* mln RUB CAPEX
120 mln RUB maximum revenue in current prices	25% Target EDITDA margin

Utilisation forecast



Number of clinics at the year end



*rented premises

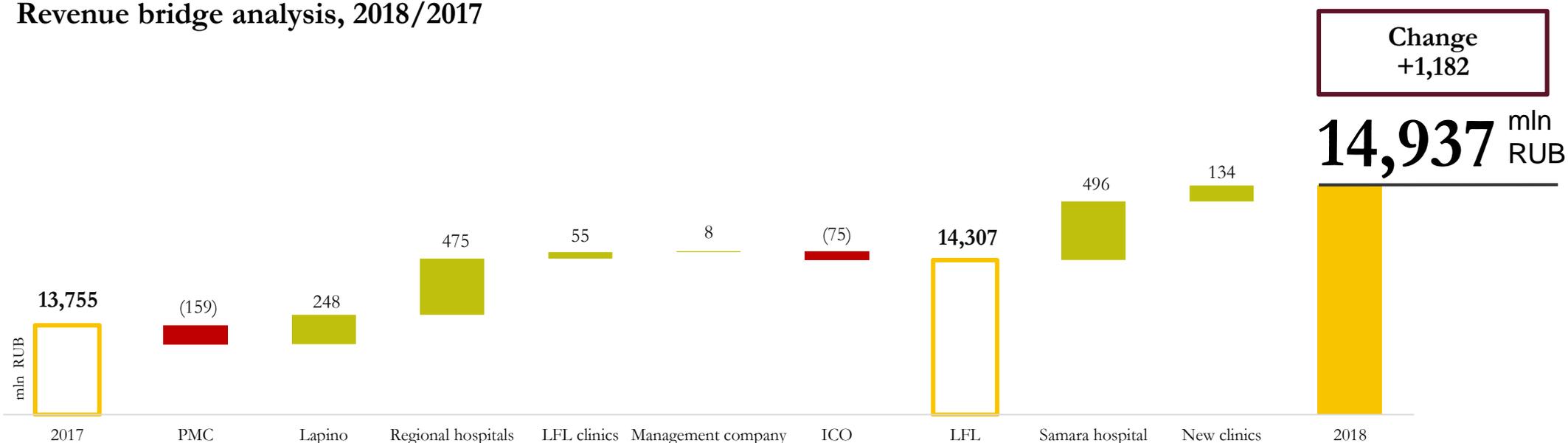
3

FY 2018

FINANCIAL RESULTS ANALYSIS

REVENUE STRUCTURE FOR 2018

Revenue bridge analysis, 2018/2017



Average tickets, ths RUB

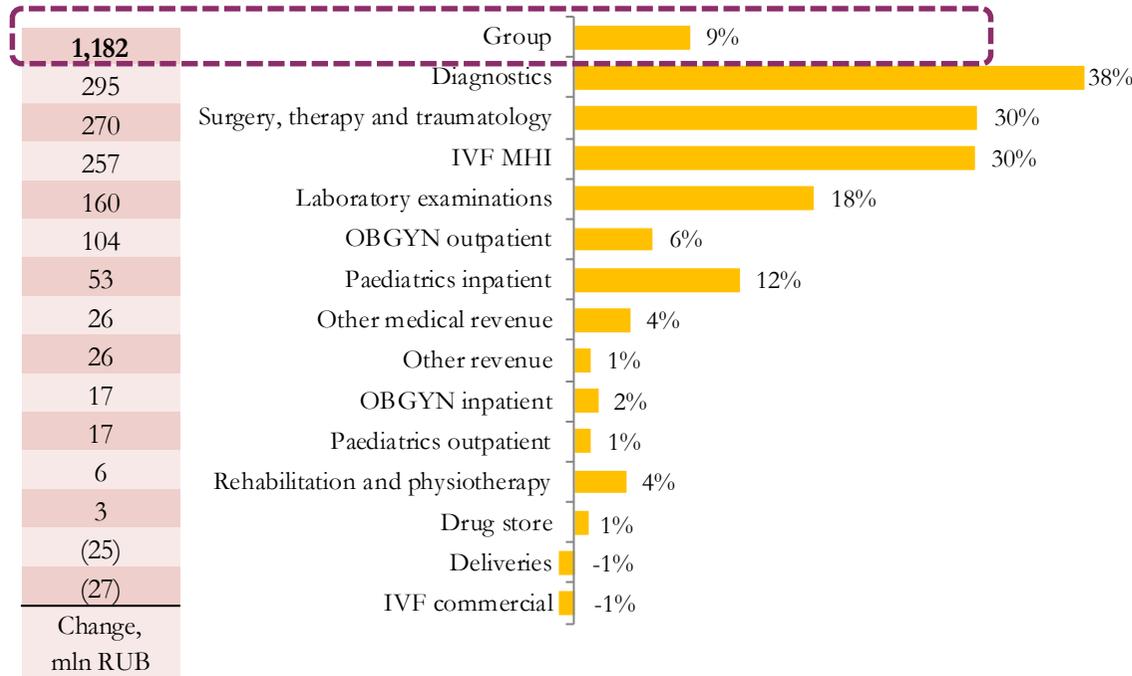
Indicator	2017	2018	Changes
Deliveries	328	304	-7%
Moscow	379	383	+1%
Regions	158	146	-8%
IVF	194	210	+8%
Commercial	252	287	+14%
MHI	118	134	+13%
In-patient	36	35	-2%
Moscow	39	48	+23%
Regions	26	25	-3%
Out-patient	2.8	2.9	+4%

Revenue dynamics by type of revenue, mln RUB

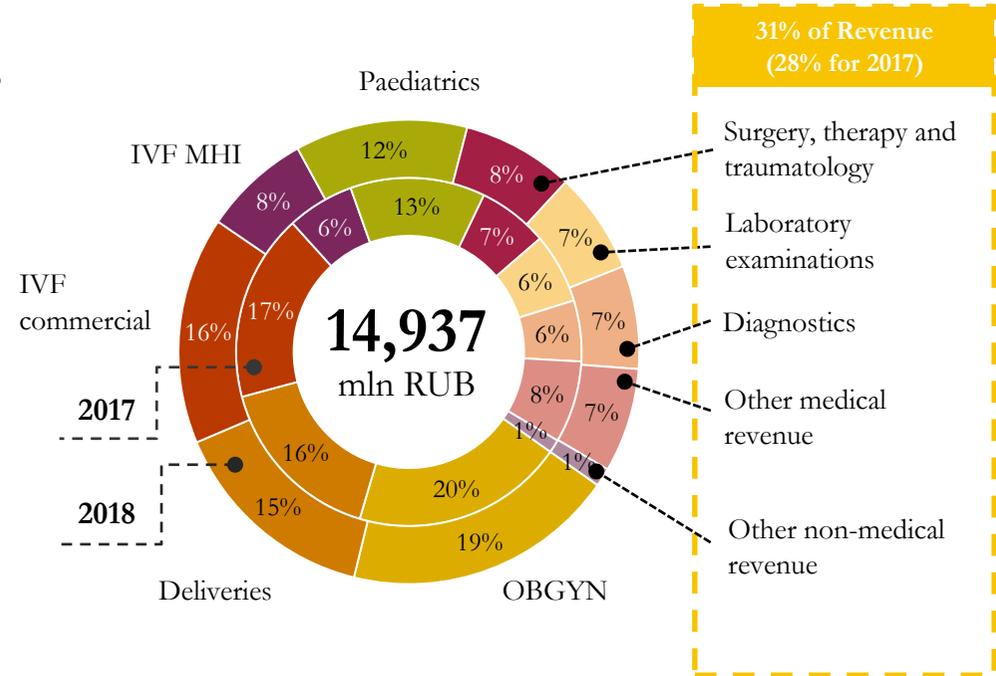
Type of revenue	2017	2018	Changes
OBGYN (excl. deliveries)	2,733	2,854	+4%
Deliveries	2,236	2,211	-1%
IVF	3,258	3,488	+7%
Paediatrics	1,738	1,808	+4%
Other medical services	3,352	4,105	+22%
Other revenue	438	471	+7%
Total	13,755	14,937	+9%

REVENUE CHANGE AND STRUCTURE BY TYPES OF REVENUE

Revenue change by type of services 2018/ 2017



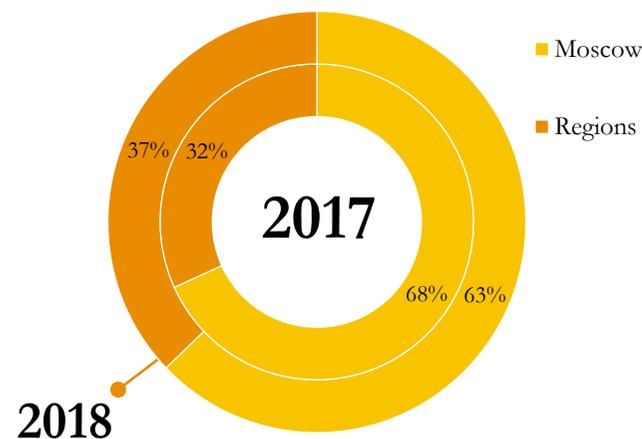
Revenue structure by type of revenue



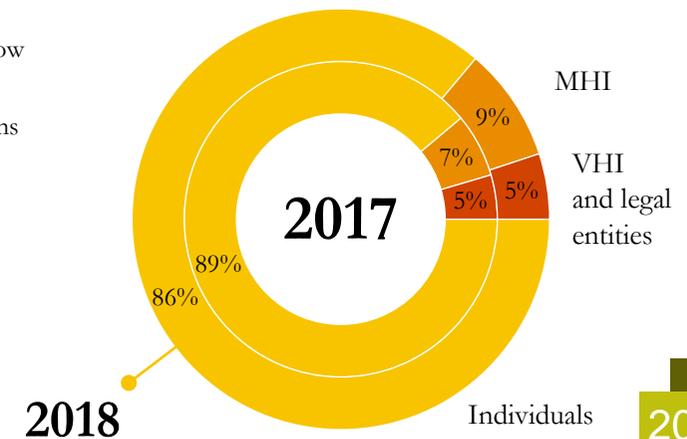
Highlights

- Growth in Laboratory and Diagnostics is due to significant increase of operational performance in Lapino and Ufa and development of liquid cytology laboratory
- Growth in Surgery, Therapy and Traumatology is due to the growth of operational indicators on these services in Ufa and Novosibirsk hospitals, and opening of hospital in Samara
- Growth of Paediatrics inpatient is due to ramp-up of Lapino capacities, growth of revenue in Ufa and opening of Samara hospital

Revenue structure, Moscow and regions

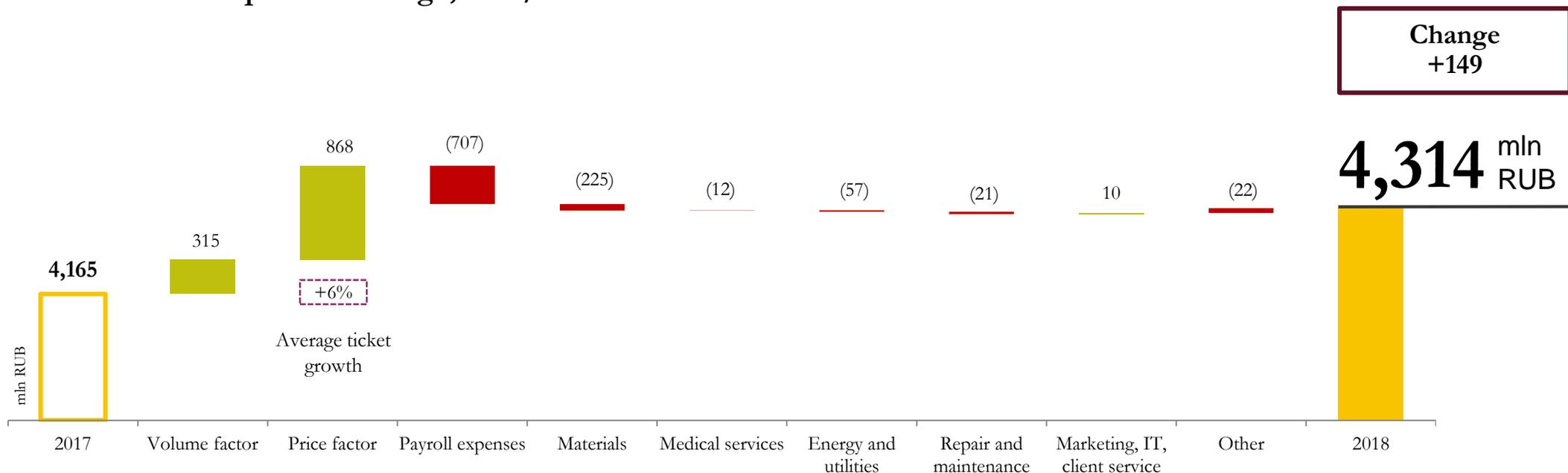


Revenue structure by payers

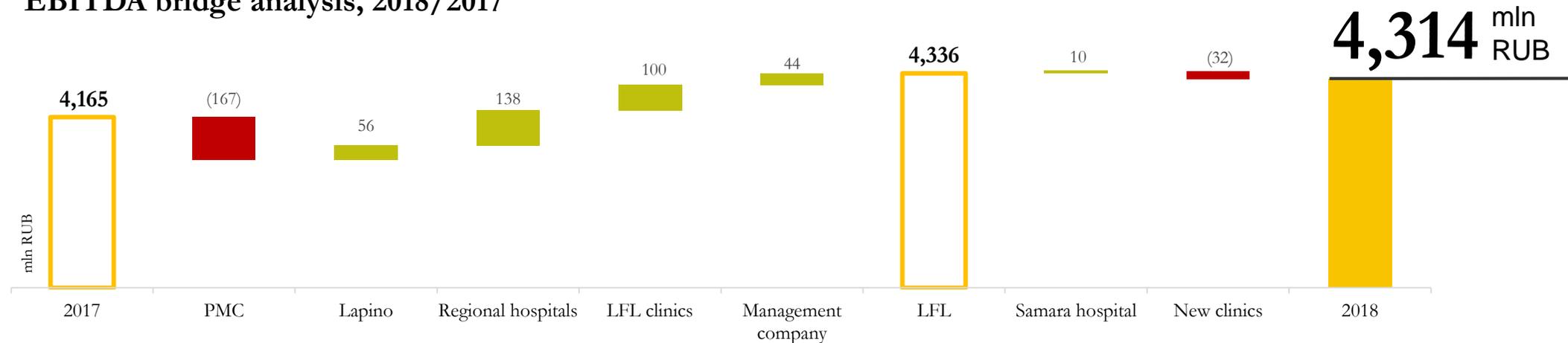


EBITDA STRUCTURE

EBITDA decomposition bridge, 2018/2017

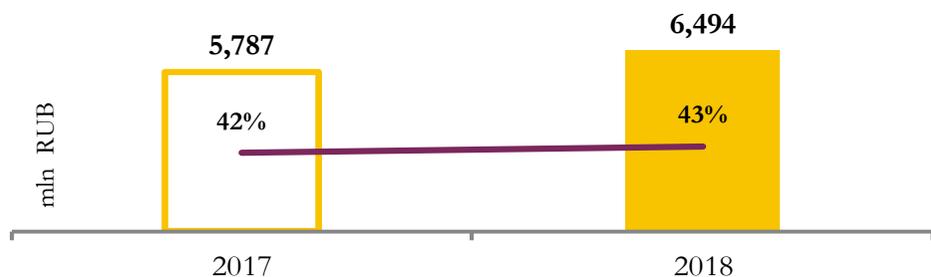


EBITDA bridge analysis, 2018/2017

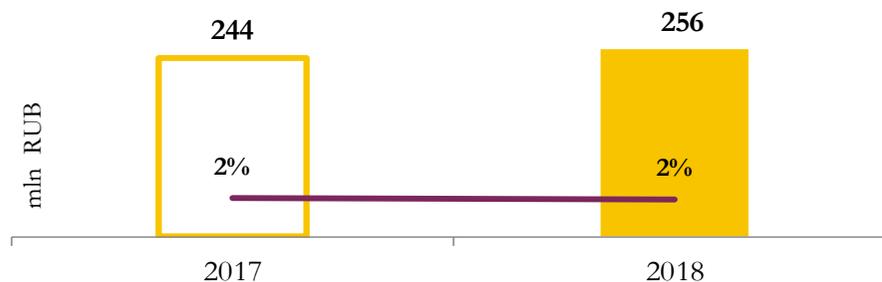


KEY EXPENSES DYNAMICS

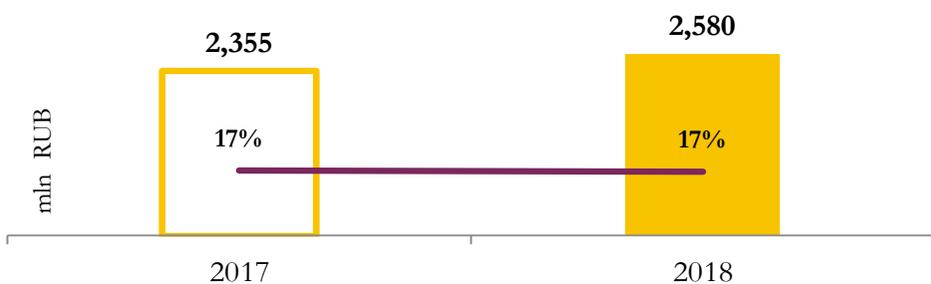
Dynamics of the major expenses, % of revenue
Payroll + Social contributions



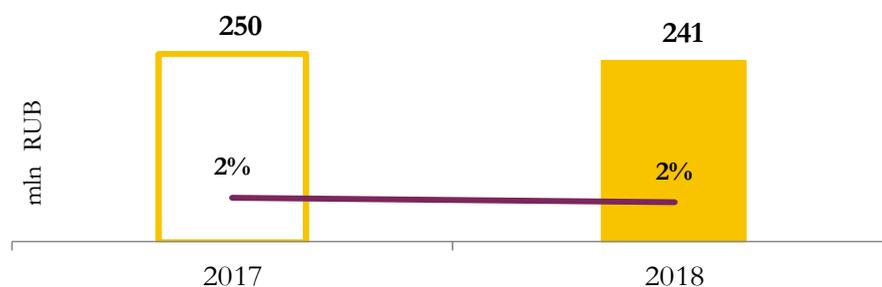
Medical services



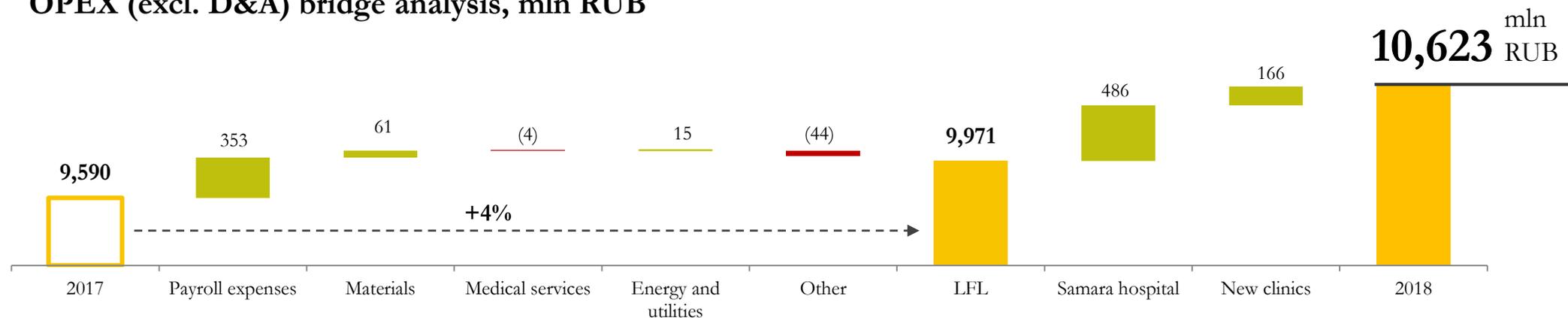
Material expenses



Functional expenses (Marketing, IT, client service)

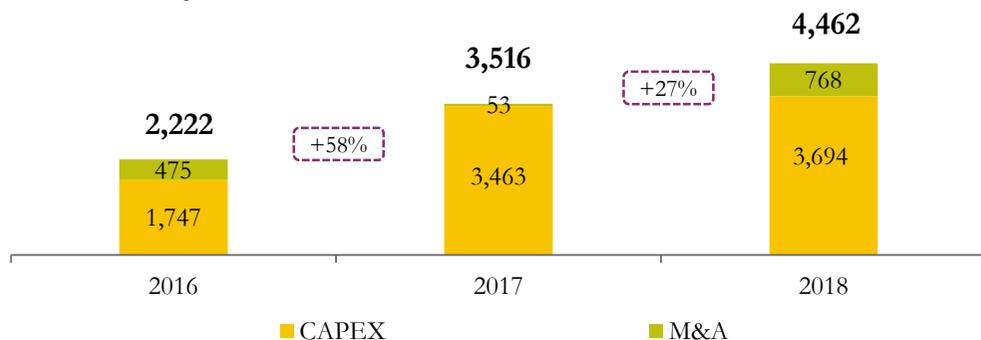


OPEX (excl. D&A) bridge analysis, mln RUB



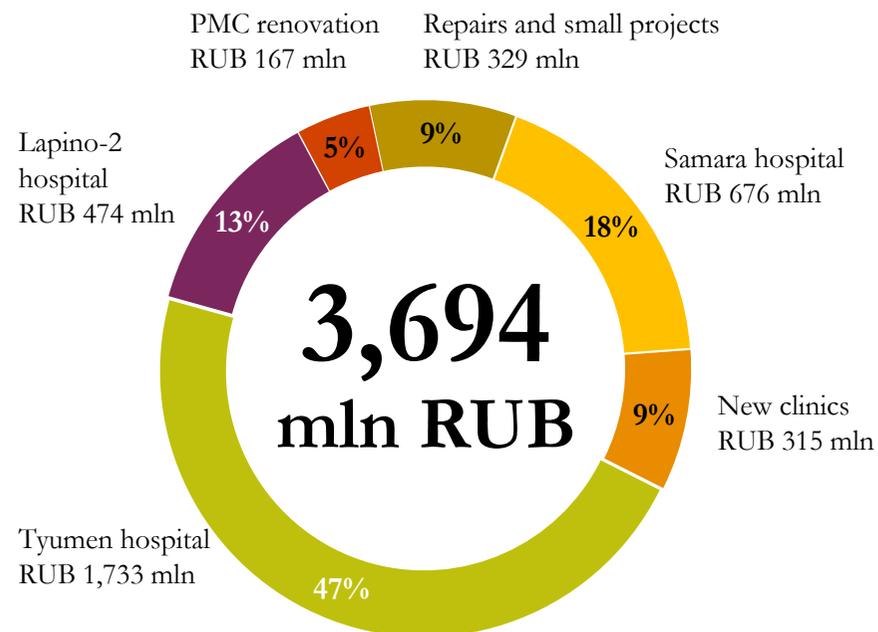
CAPEX HIGHLIGHTS AND CASH FLOW

CAPEX dynamics, mln RUB

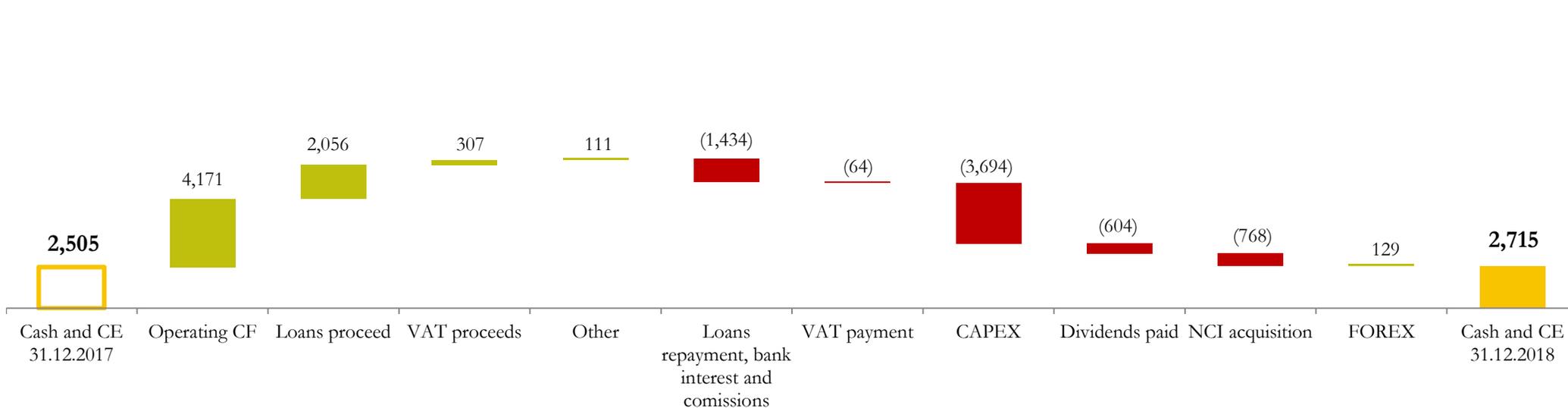


Capital expenditure comprised RUB 3,694 mln (RUB 3,463 mln for 2017) and mainly related to completion of construction of Samara hospital, construction of hospitals in Tyumen, clinics in Nizhny Novgorod, Lefortovo, Volgograd, Kazan, Tula, Vladivostok, expenses for the construction of Lapino-2 hospital and PMC renovation.

CAPEX structure 2018



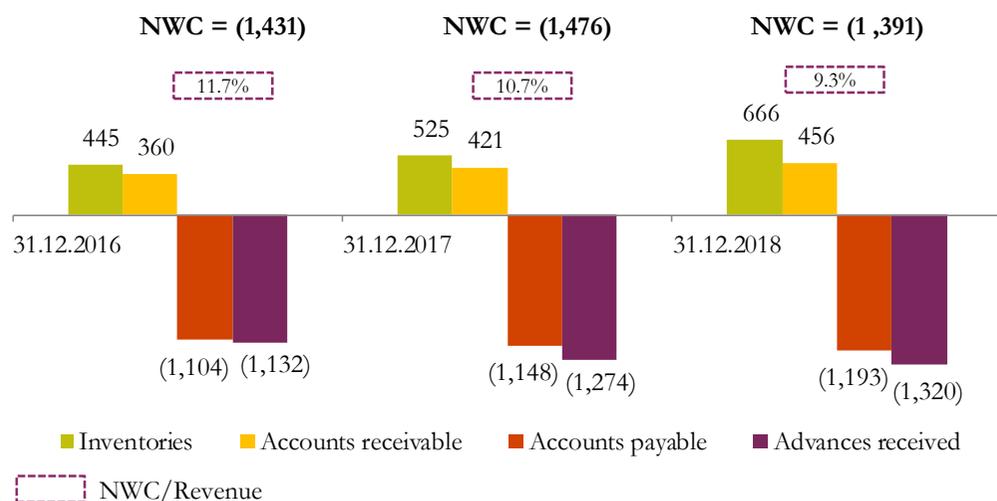
Cashflow bridge analysis, mln RUB



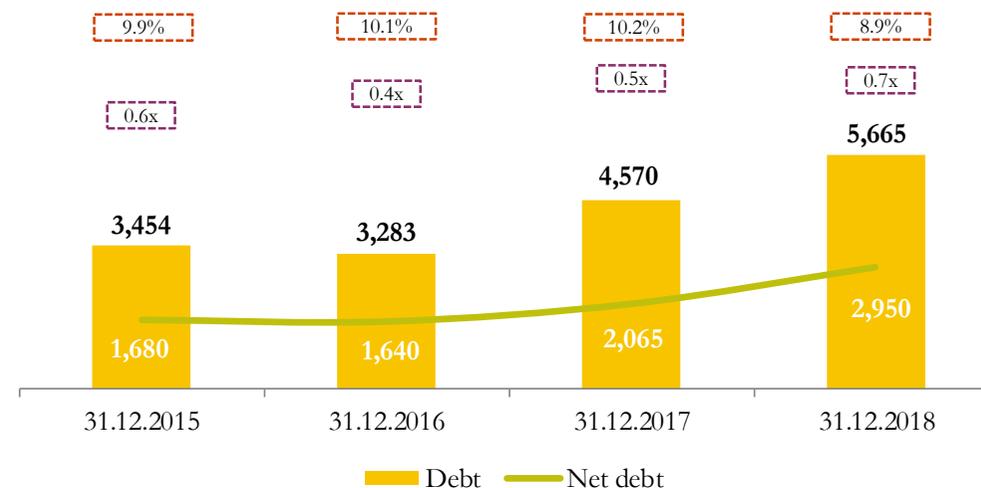
DEBT & NET WORKING CAPITAL (NWC)

- As at 31 December 2018 the Group's debt increased by 24% in comparison with amount as at 31 December 2017 and amounted to RUB 5,665 mln
- The Company's cash & cash equivalents increased by 8%
- The net debt position as at 31 December 2018 was RUB 2,950 mln which was 43% higher than the amount as at 31 December 2017. Net debt to EBITDA ratio was 0.7x
- The company works with negative working capital as a source of additional financing. Net working capital increased by 6% vs 2017 to RUB (1,391) mln and amounted to 9,3% of revenue 2018. The increase in net working capital to revenue ratio is explained by the launch of new big projects, mainly, Samara hospital
- New projects are financed by the optimal structure of borrowed funds and equity. Borrowed funds are raised at attractive rate on comfortable long-term period. Effective capital structure guarantees balanced business development
- The company has stable financial position due to strong cash balance

Net working capital (NWC), mln RUB

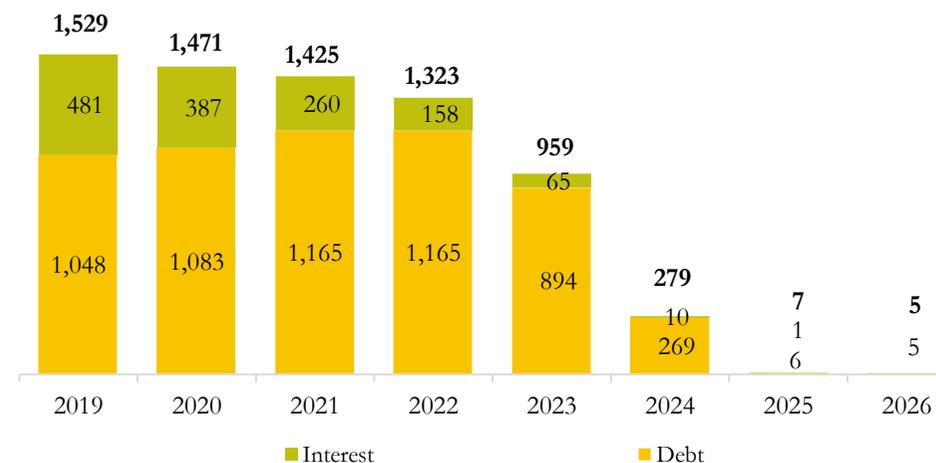


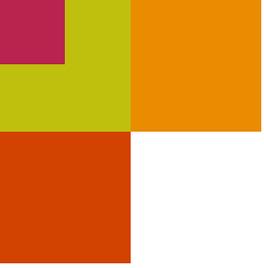
Debt and net debt dynamics, mln RUB



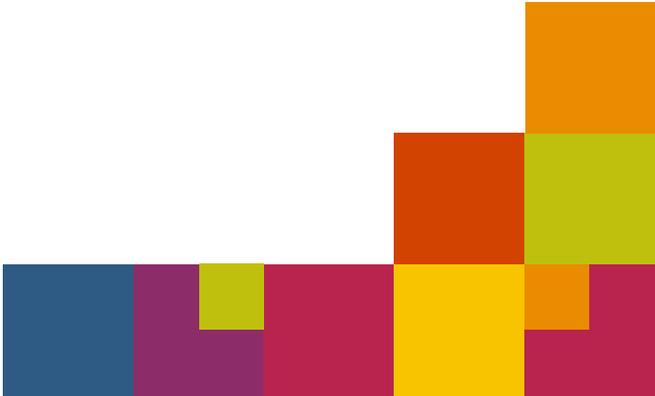
 Average effective interest rate
 Net Debt/EBITDA

Debt repayment schedule, mln RUB





APPENDIX



REVENUE ANALYSIS

	2018	2017
Obstetrics and Gynaecology	2,854	2,733
<u>In-patient treatments</u>		
RUB mln	1,027	965
patient days	24,536	25,375
kRUB per day	41.9	38.0
% of total*	36%	35%
<u>Out-patient treatments</u>		
RUB mln	1,827	1,768
Admissions	557,775	526,267
kRUB per admission	3.3	3.3
% of total*	64%	65%
Deliveries	2,211	2,236
RUB mln	2,211	2,236
Deliveries	7,277	6,808
kRUB per delivery	303.8	328.4
IVF	3,488	3,258
RUB mln	3,488	3,258
Cycles	16,636	16,806
kRUB per cycles	209.7	193.8
Paediatrics	1,808	1,738
<u>In-patient treatments</u>		
RUB mln	485	432
Patient-days	21,757	18,580
kRUB per patient day	22.3	23.2
% of total*	27%	25%
<u>Out-patient treatments</u>		
RUB mln	1,323	1,306
Admissions	430,086	431,094
kRUB per admissions	3.1	3.0
% of total*	73%	75%

	2018	2017
Other medical services	4,576	3,790
<u>In-patient treatments</u>		
RUB mln	1,048	819
Patient days	26,078	17,389
kRUB per patient day	40.2	47.1
% of total*	23%	21%
<u>Out-patient treatments</u>		
RUB mln	1,553	1,195
Admissions	630,288	570,064
kRUB per admission	2.5	2.1
% of total*	34%	32%
<u>Other services</u>		
RUB mln	1,975	1,776
% of total*	43%	47%



EXTRACT FROM MDMG'S PROFIT AND LOSS STATEMENT

(RUB mln)	2018	2017	2016
Revenue	14,937	13,755	12,179
Cost of sales	(9,387)	(8,358)	(7,400)
Gross Profit	5,550	5,397	4,779
% of revenue	37%	39%	39%
Other income	27	105	30
Administrative expenses	(2,416)	(2,254)	(2,067)
Other expenses	(37)	(21)	(18)
EBITDA	4,314	4,165	3,670
% of revenue	29%	30%	30%
Operating profit	3,124	3,226	2,724
Net finance expenses	(267)	(445)	(485)
Profit before tax	2,857	2,781	2,239
Tax	(26)	(77)	38
Profit for the period	2,831	2,704	2,277
% of revenue	19%	20%	19%
Minority interest	160	215	212
Profit for the year attributable to: shareholders	2,671	2,489	2,066



EXTRACT FROM MDMG'S BALANCE SHEET

(RUB mln)	2018	2017	2016
Cash and cash equivalents	2,715	2,505	1,643
Current trade, other receivables and deferred expenses	456	421	360
Inventories	666	525	445
Other current assets	-	29	55
Property, plant and equipment	18,158	15,324	13,410
Intangible assets	2,259	2,335	2,442
Non-current trade and other receivables and deferred expenses	592	890	185
Other non-current assets	232	243	176
TOTAL ASSETS	25,078	22,272	18,716
Current trade and other payables	1,386	1,332	1,174
Short term loans and borrowings	1,079	985	1,084
Other current liabilities	1,176	1,129	1,002
Long term loans and borrowings	4,587	3,585	2,200
Other non-current liabilities	852	673	487
Equity	15,999	14,568	12,770
TOTAL EQUITY AND LIABILITIES	25,078	22,272	18,716
Net Debt	2,950	2,065	1,640

EXTRACT FROM MDMG'S CASH FLOW STATEMENT

(RUB mln)	2018	2017	2016
Cash flow from operating activities			
Profit for the period	2,831	2,704	2,277
Adjustments for:			
<i>D&A</i>	1,190	1,036	946
<i>Taxation</i>	26	77	(38)
<i>Other adjustments</i>	274	389	510
Cash flow from operations before working capital changes	4,321	4,206	3,696
<i>Increase in inventories</i>	(141)	(80)	(73)
<i>Increase in trade and other receivables</i>	(159)	(118)	(86)
<i>Increase in trade and other payables</i>	34	40	216
<i>Increase in deferred income</i>	125	142	128
<i>Cash flow from operations</i>	4,180	4,190	3,880
Tax paid	(9)	(4)	(20)
Net cash flow from operating activities	4,171	4,186	3,861
Cash flow from investing activities			
Payment for acquisition of PP&E	(3,669)	(3,445)	(1,716)
Acquisition of subsidiaries	-	-	(475)
Other proceeds and payments	88	138	36
Net cash flow used in investing activities	(3,581)	(3,307)	(2,155)
Cash flow from financing activities			
Proceeds from borrowings	2,056	2,333	987
Repayment of borrowings	(955)	(1,079)	(1,173)
Finance expenses paid	(479)	(353)	(449)
Other payments	(527)	18	(116)
Dividends paid to the owners of the Company	(494)	(681)	(786)
Dividends paid to non-controlling interests	(110)	(199)	(199)
Net cash flow (used in) / from financing activities	(508)	38	(1,737)
Net increase / (decrease) in cash and cash equivalents	81	917	(31)
Cash and cash equivalents at the beginning of the period	2,505	1,643	1,774
Effect due to exchange rate changes	129	(56)	(101)
Cash and cash equivalents at the end of the period	2,715	2,505	1,643