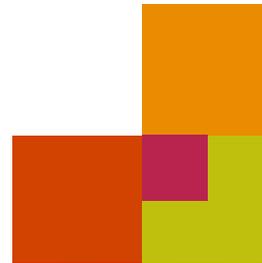


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MOTHER & CHILD
GROUP OF COMPANIES



MD MEDICAL GROUP COMPANY PRESENTATION



January 2017

Photo: OR1 Integrated operating theatre in Ufa hospital

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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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TEAM PRESENTING TODAY



Dr Mark Kurtser

CEO, Founder, Controlling shareholder,
Member of the BoD

- Dr Kurtser was a Chief Obstetrician and Gynaecologist of Moscow and Head of the Centre of Family Planning and Reproduction, the largest public obstetrics hospital in Moscow
- Holds a degree in medicine from Pirogov Medical University in addition to a postdoctoral degree in medicine



Elena Romanova

Head of Investor Relations

- Prior to joining MDMG, Elena was IR Senior Manager at Norilsk Nickel. She also worked as an auditor at Ernst & Young and CTC Media
- Holds a degree in Financial Management from Financial University under the Government of the Russian Federation

1

MD MEDICAL GROUP TODAY

LEADING PRIVATE HEALTHCARE PROVIDER IN RUSSIA

MD Medical Group – #1 private healthcare player in Russia

#1

Largest provider of private healthcare medical services in Russia by revenue¹ with focus on women and children

10 years

Of successful operations on the Russian healthcare market

31 medical facility

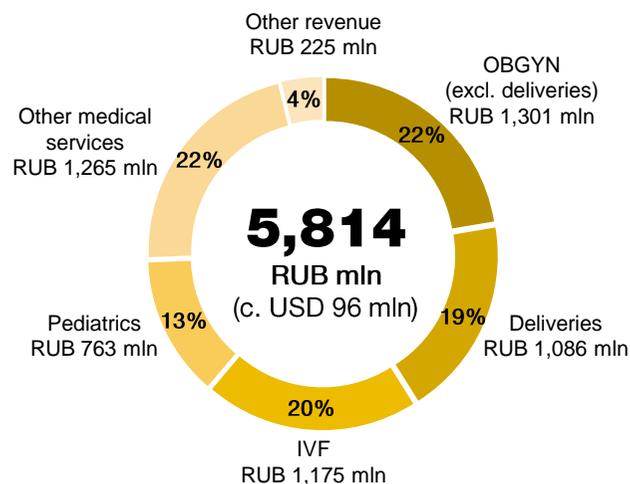
- 4 - State-of-the-art hospitals providing various world-class services for the entire family
- 27 - Industry leading IVF & OBGYN clinics spread throughout Russia

36% / 20%

Average annual revenue / EBITDA growth since 2010

Diversified revenue base

1H 2016



Source: company information

¹ As of FY2015

² Acquired by Group in 2014

³ Calculated as loans and borrowings - cash and cash equivalents

High quality assets base

	Hospital	Year founded	Beds	Area (th. sq.m.)
	Perinatal Medical Centre (Moscow)	2006	250	28
	Hospital Lapino (Moscow Region)	2012	182	42
	Mother and Child Ufa	2014	192	33
	Mother and Child Novosibirsk	1996 ¹	24	4

Proven financial performance

RUB mln	2013	2014	2015	1H 2015	1H 2016
Revenue	5,673	7,201	9,507	4,518	5,814
growth, y-o-y %	39.7%	26.9%	32.0%	35.7%	28.7%
EBITDA	1,586	2,083	2,675	1,253	1,657
EBITDA margin, %	28.0%	28.9%	28.1%	27.7%	28.5%
Net Income	764	1,320	1,770	768	987
NI margin, %	13.5%	18.3%	18.6%	17.0%	17.0%
Net Debt ³	(273)	3,230	1,680	2,096	1,836
Net Debt / EBITDA	n/a	1.6x	0.6x	0.8x	0.6x

WIDE GEOGRAPHICAL PRESENCE ACROSS RUSSIA COVERING 15 REGIONS

15 regions

18 cities

27 clinics

4 hospitals

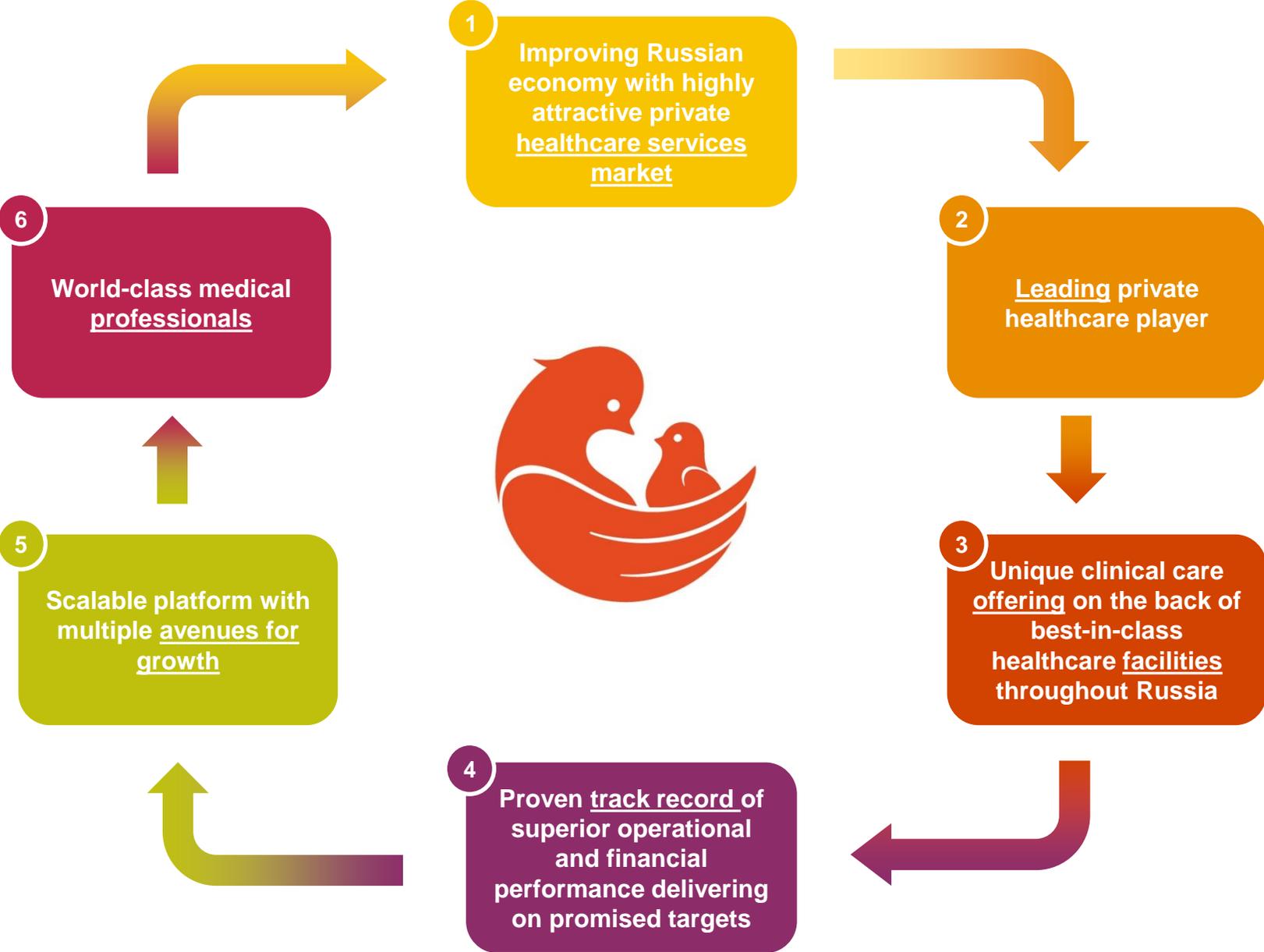


 # of hospitals
 # of clinics

2

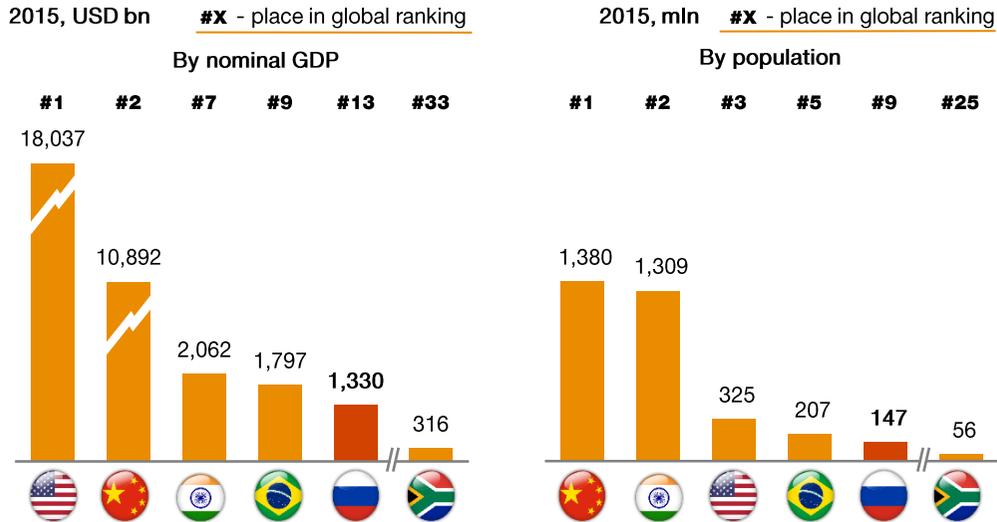
OUR STRENGTHS

OUR STRENGTHS

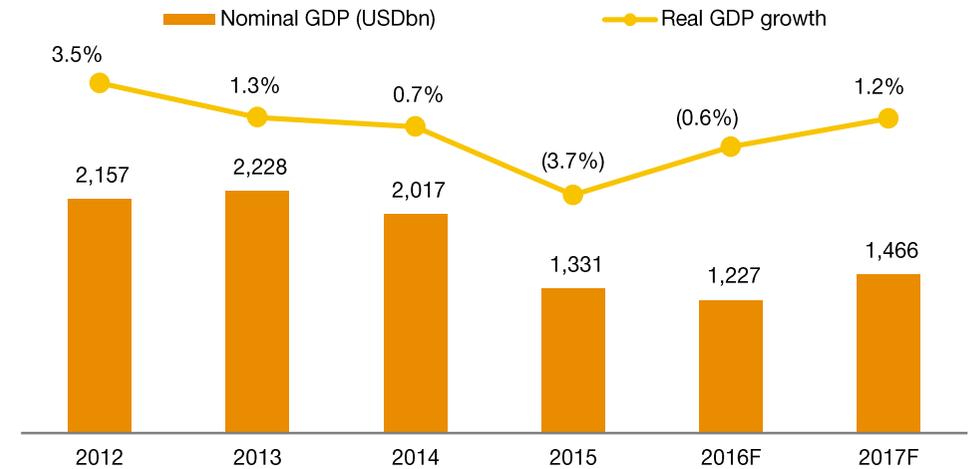


IMPROVING RUSSIAN ECONOMY...

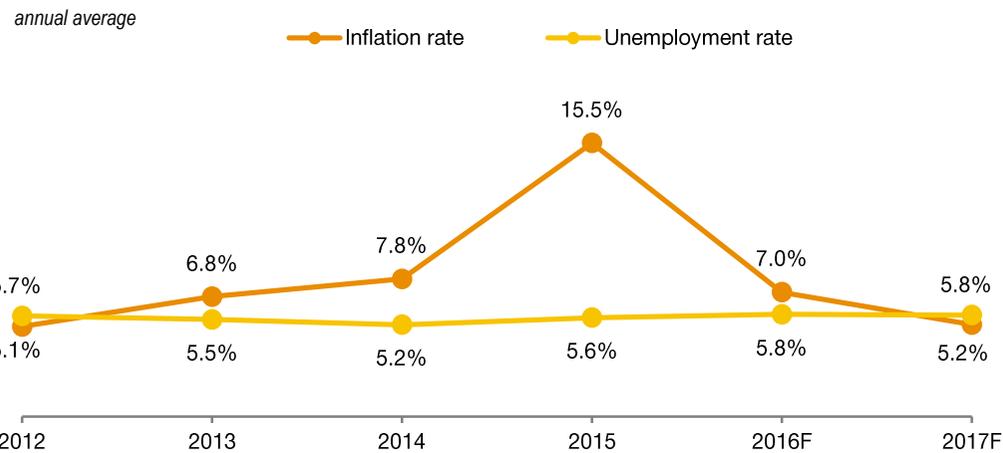
One of the largest markets globally...



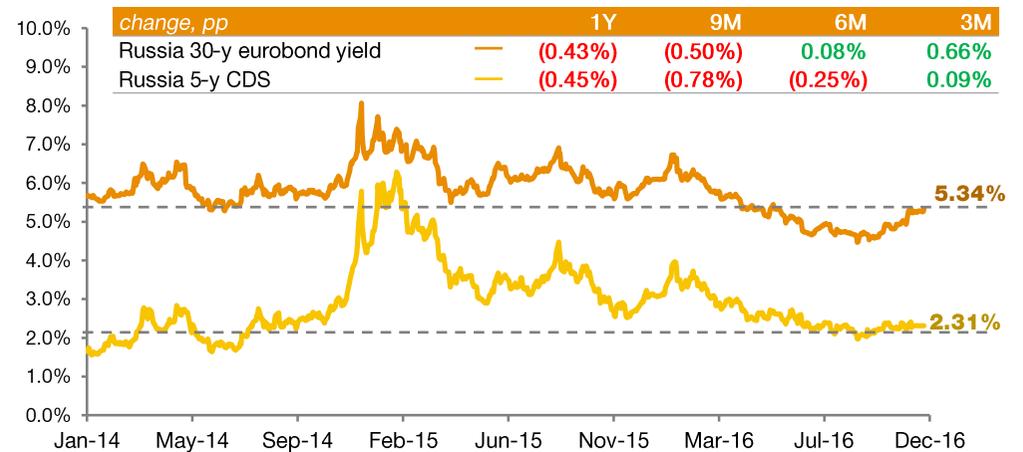
...demonstrating firm turnaround trajectory...



...with stabilizing inflation levels...



...and improving risk profile



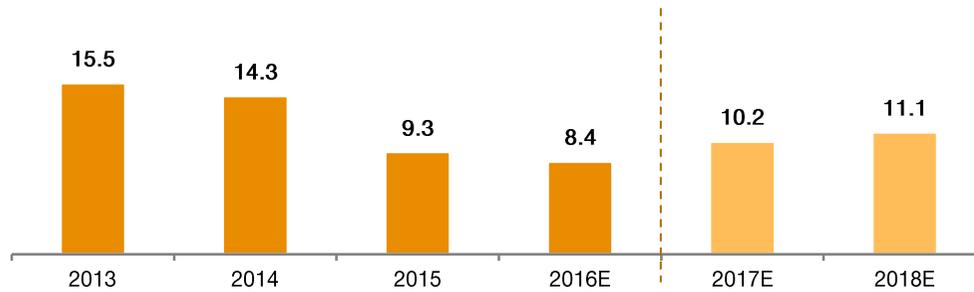
Source: Global Insight, Bloomberg consensus, Rosstat

...WITH HIGHLY ATTRACTIVE PRIVATE HEALTHCARE SERVICE MARKET

Population welfare returning to growth...

GDP per capita, '000 \$ per year

Growth, YoY **3.5%** **(7.6%)** **(35.4%)** **(9.5%)** **21.8%** **8.2%**

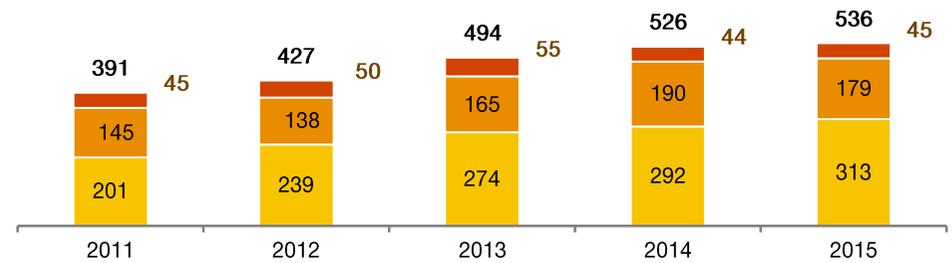


... and increasing healthcare expenditures...

Household healthcare expenditures, RUB per month

■ Pharmaceuticals ■ Out-patient services ■ In-patient services

CAGR 2011-2015= 8.3%



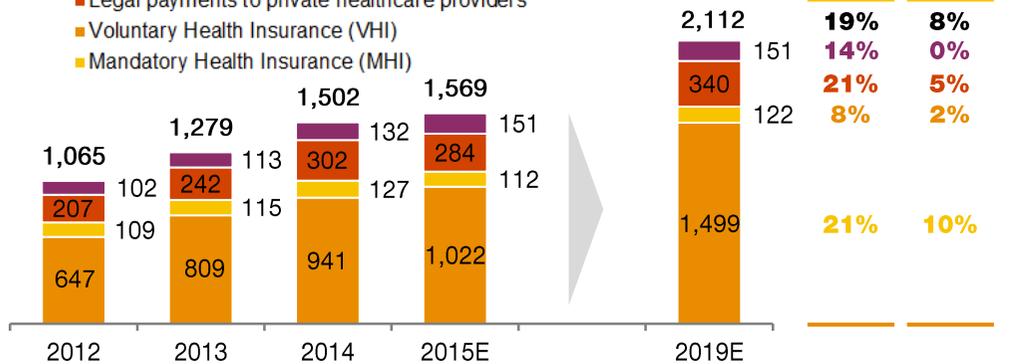
... resulting in growth of fee-for-service healthcare market...

Fee-for-service healthcare market. RUB bn

■ Grey market
 ■ Legal payments to private healthcare providers
 ■ Voluntary Health Insurance (VHI)
 ■ Mandatory Health Insurance (MHI)

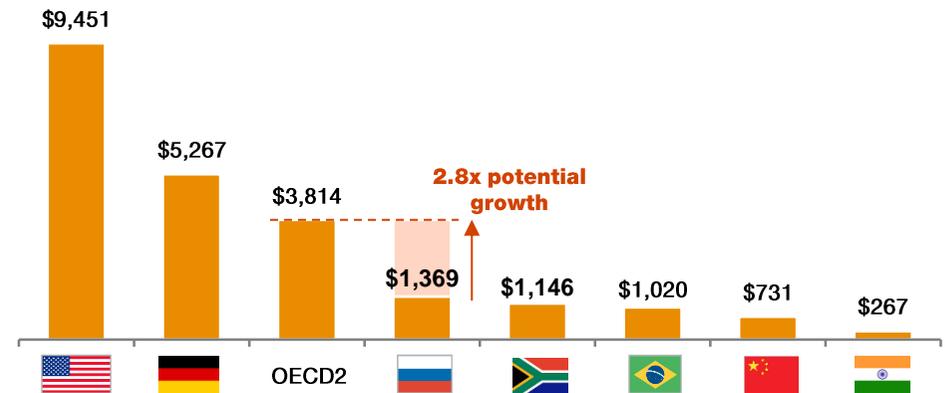
CAGR

12-14 15E-19E



... with significant room for further upside

Per capita healthcare expenditures¹



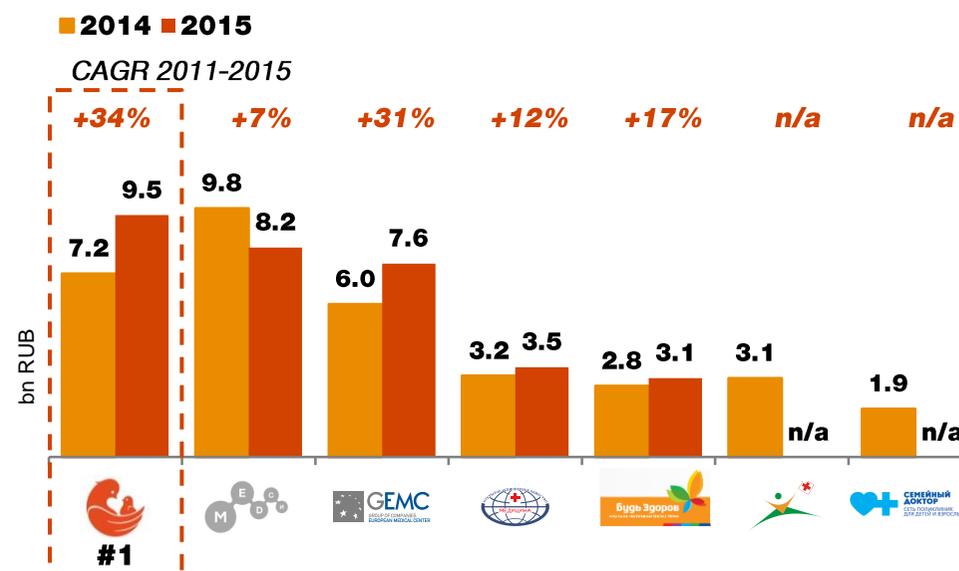
Source: Rosstat, BusinesStat 2014, OECD, Global Insight, Company data
 Note: ¹ Based on data as of 2015 or latest available; ² Member countries of the Organization for Economic Co-operation and Development

LEADING PRIVATE HEALTHCARE PLAYER

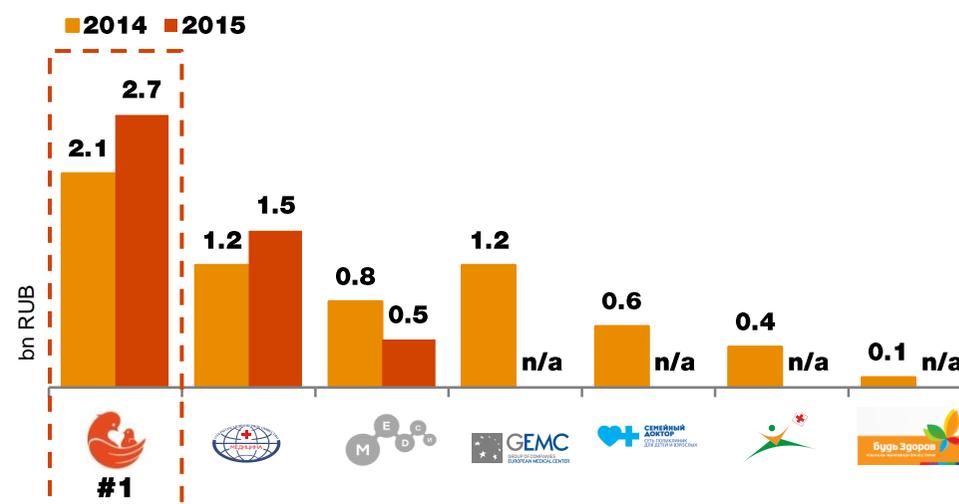
Private healthcare providers

MI		<p>Focus: Women's health and paediatrics Location: Moscow and Russian regions Number of clinics: 27 Number of hospitals: 4 Number of in-patient beds: 648</p>
GE		<p>Focus: General practices Location: Moscow and Russian regions Number of clinics: 29 clinics (incl. 2 hospitals) Number of in-patient beds: 829¹</p>
		<p>Focus: General practices Location: Moscow Number of clinics: 1 hospital Number of in-patient beds: 105</p>
		<p>Focus: General practices, trauma Location: Moscow Number of hospitals: 4</p>
		<p>Focus: General practices Location: Moscow and Saint Petersburg Number of clinics: 6</p>
		<p>Focus: General practices Location: Moscow and Russian regions Number of clinics: 12</p>
wo		<p>Focus: Women's health, IVF Location: Saint Petersburg and Russian regions Number of clinics: 13 (incl. 1 hospital) Number of in-patient beds: 106</p>

Key private market players by revenue (2015)



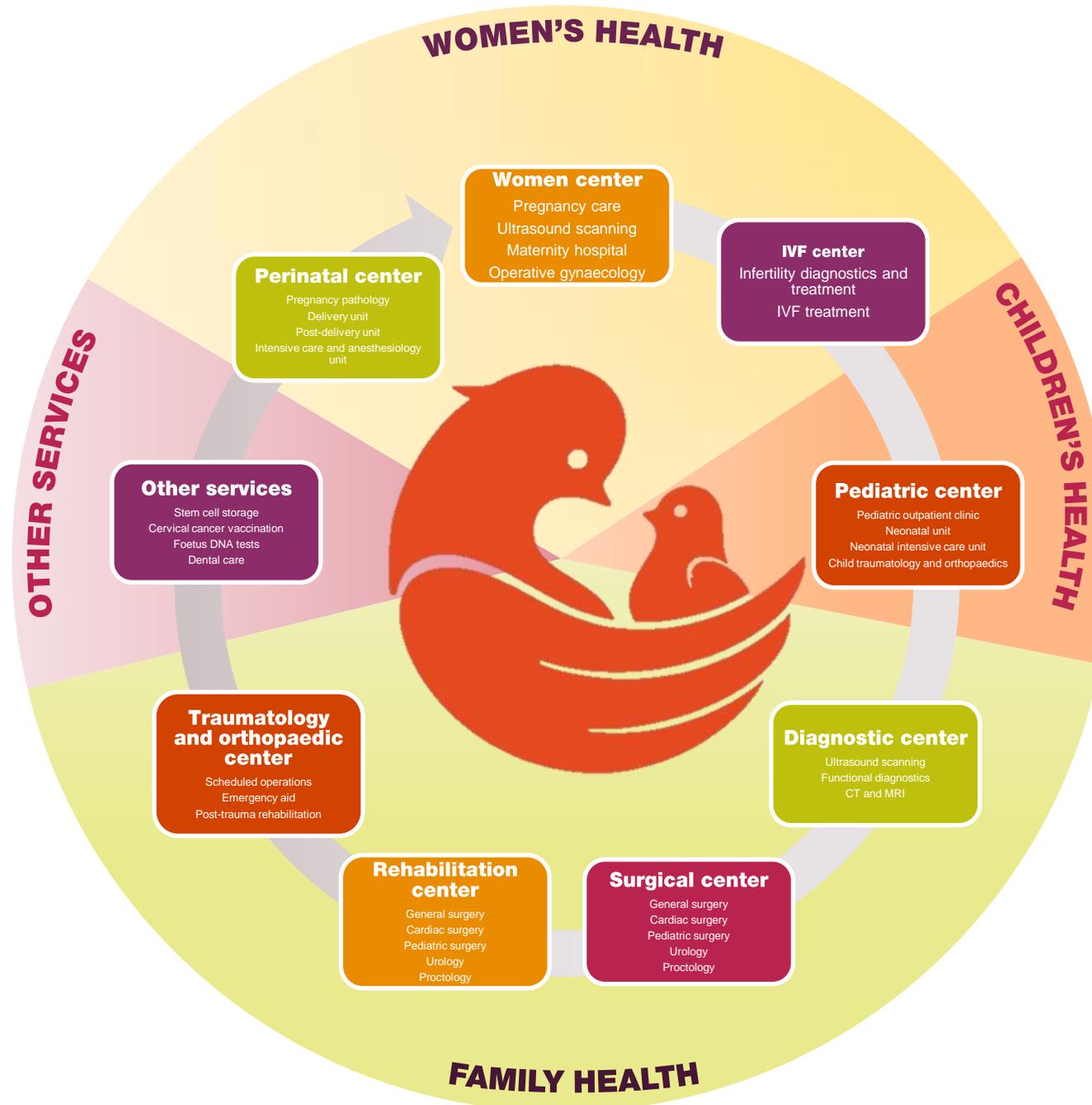
Key private market players by EBITDA (2015)



Source: Company data, public sources

¹ As of 2014YE

UNIQUE CLINICAL CARE OFFERING...



... ON THE BACK OF BEST-IN-CLASS HEALTHCARE FACILITIES THROUGHOUT RUSSIA



Perinatal Medical Centre (Moscow)

27,600 sq m

- Established in 2006, PMC provides a full-range of inpatient and outpatient services to women and children
- The 1st private maternity facility in Moscow and in Russia
- State-of-the-art facility with the latest MRI and CT equipment

250
beds

920
FTE

3,500
deliveries

2,000
IVF

290 ths
out-patient
treatments

28,5 ths
in-patient
days



Hospital Lapino (Moscow Region)

42,000 sq m

- Company's largest hospital, located in close vicinity to Moscow and established in 2012
- Wide range of obstetrics and gynaecology, IVF, paediatrics, diagnostics, surgery, trauma and rehabilitation services

182
beds

950
FTE

3,000
deliveries

1,000
IVF

414 ths
out-patient
treatments

19,3 ths
in-patient
days



Mother and Child Ufa

33,000 sq m

- The 1st regional self-constructed hospital of the Group in Russia, established in 2014
- Wide range of in-patient and out-patient services including deliveries, IVF, gynaecology and obstetrics, paediatrics and neonatology
- Services for the whole family, including surgery, urology, plastic surgery and diagnostic services

192
beds

400
FTE

3,000
deliveries

1,100
IVF

240 ths
out-patient
treatments

31,0 ths
in-patient
days



Mother and Child Novosibirsk

4,000 sq m + 7,000 sq m¹

- Established in 1996 and joined the Group in 2014
- Wide range of in-patient and out-patient services including deliveries, IVF, obstetrics and gynaecology, paediatrics, radiation and ultrasound diagnostic, dentistry and neurosurgery, plastic surgery and urology, traumatology and orthopedics
- New wing of the hospital is expected to be put into operation in Jan-Feb 2017

24
beds

606
FTE²

540
deliveries

1,800
IVF

261 ths
out-patient
treatments

8,0 ths
in-patient
days

Note: FTE = Full-time equivalent, IVF = In-Vitro Fertilisation; All figures represent facilities capacity unless otherwise stated

¹ Upon completion of new hospital wing; ² Actual FTE as of December 2015

HIGH-QUALITY HEALTHCARE INFRASTRUCTURE

Effective equipment management

- Medical equipment provided by highly reputable suppliers, including Siemens, Dräger, Storz, Olympus and other industry leaders
- PMC is equipped with high-quality laboratories which conform to the highest international standards
- Comprehensive regular equipment maintenance provided by equipment producers
- Innovative approach with regular implementation of new technologies
 - Continuous monitoring of all new equipment coming to the market
 - Technical trainings for medical personnel

Blue chip medical equipment suppliers



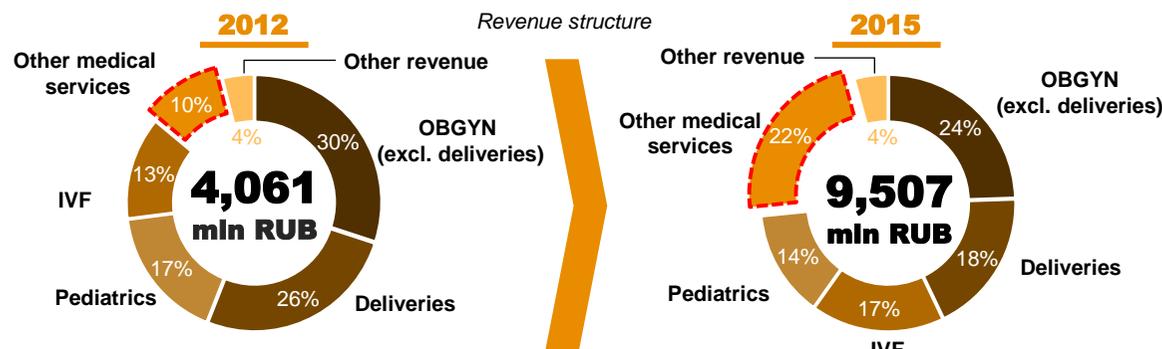
Unique and modern equipment

<p>Temporary balloon occlusion of the internal iliac arteries</p>	<p>Allows to avoid complications, preserve reproductive function and decrease the blood loss in OBGYN practice, especially in case of placenta accreta in a Cesarean section scar.</p>	 <p>Cordis a Johnson & Johnson company</p>
<p>Cryotop method in assisted reproductive treatment</p>	<p>100% survival of embryo High rate of implantation</p>	
<p>Dräger Caleo</p>	<p>Unique and new registered method of hypothermia applied for newborns with asphyxia. Let's save lives for newborns who in most cases would die without unique treatment.</p>	
<p>MRI Philips Panorama HFO 1.0T Ambient Experience</p>	<p>Open aperture of this MRI equipment let's conduct research for patients in critical condition owing to special design, opportunity for a mother to be with a child, safe research for pregnant women and newborns</p>	
<p>Integrated operation room OR1™ by KARL STORZ</p>	<p>Best-in-class visualisation during laparoscopic operations. Provides the opportunity for on-line translations and consulting with any specialist all over the world.</p>	

PROVEN TRACK RECORD OF SUPERIOR BUSINESS DEVELOPMENT

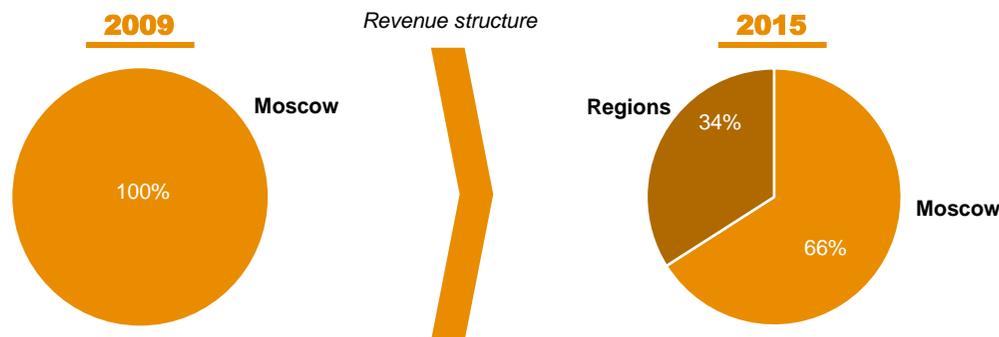
Introduction of new medical services

- Gradual transition from maternity care focused player to one of the leading multi-disciplinary healthcare provider in Russia through expansion into additional services (cardiology, ophthalmology, traumatology, rehabilitation, etc.) and developing general surgeries at Lapino, Novosibirsk and Ufa hospitals



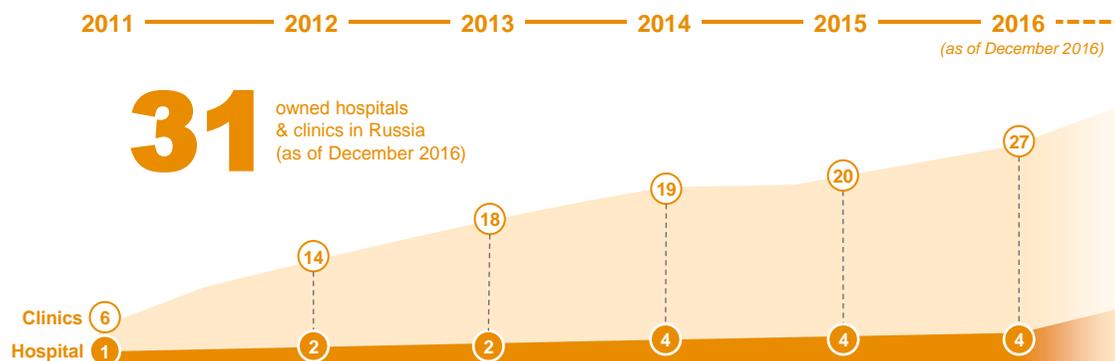
Expansion in regions

- Company is constantly increasing presence in Russian regions with high disposable income and strong demographic indicators focusing on being the only provider of certain services in a particular region



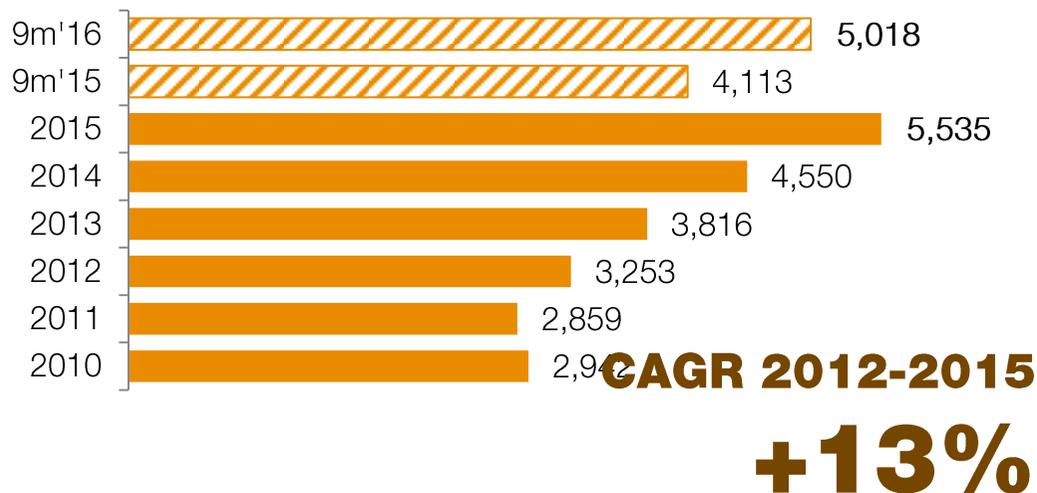
Building up asset base

- MD Medical Group is focused on increasing its high quality asset base both via organic growth and through execution of accretive M&A deals
- Following measurable approach to expansion, company aims to construct specified number of assets targeting realistic market share in a particular region

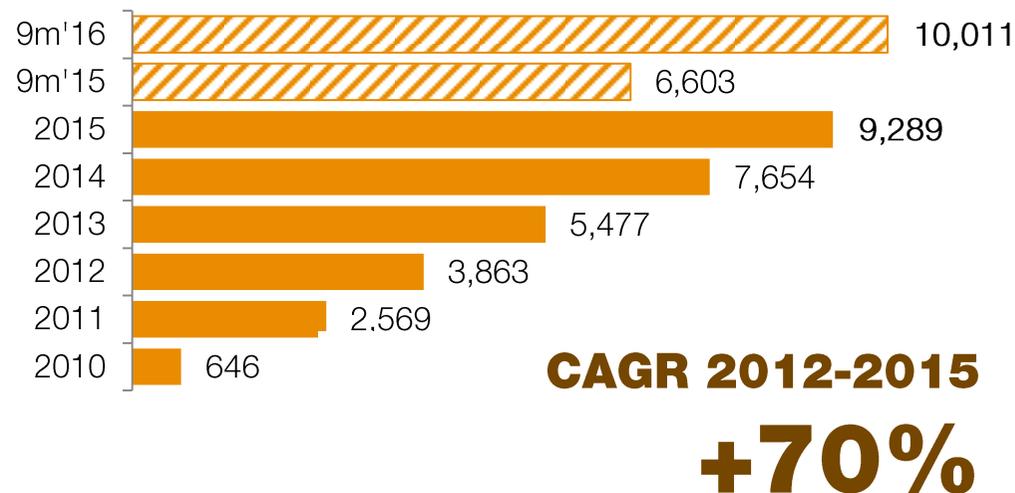


OUTSTANDING OPERATIONAL RESULTS

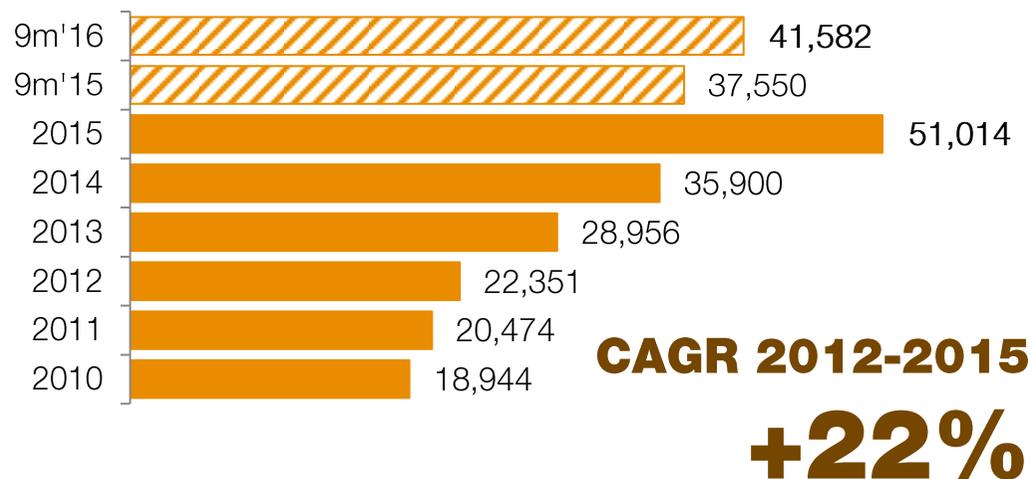
Deliveries



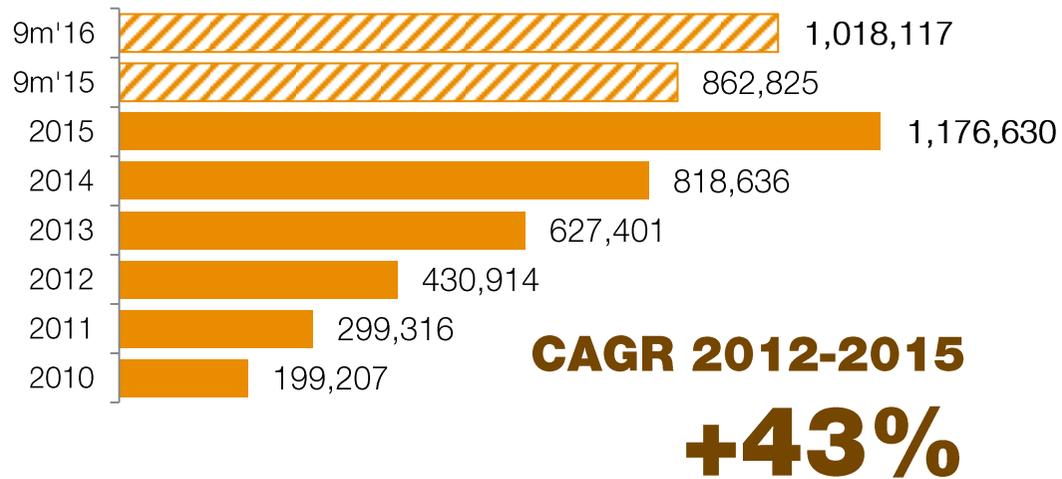
IVF cycles



In-patient days



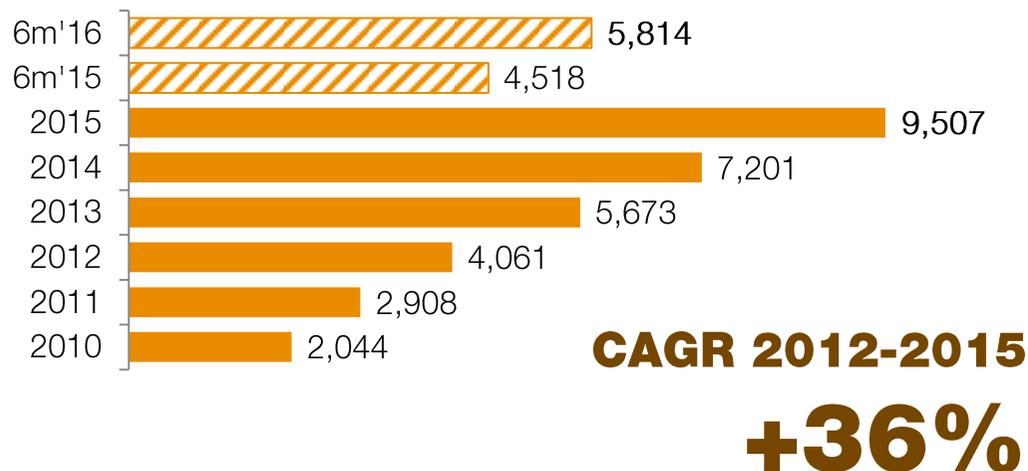
Out-patient treatments



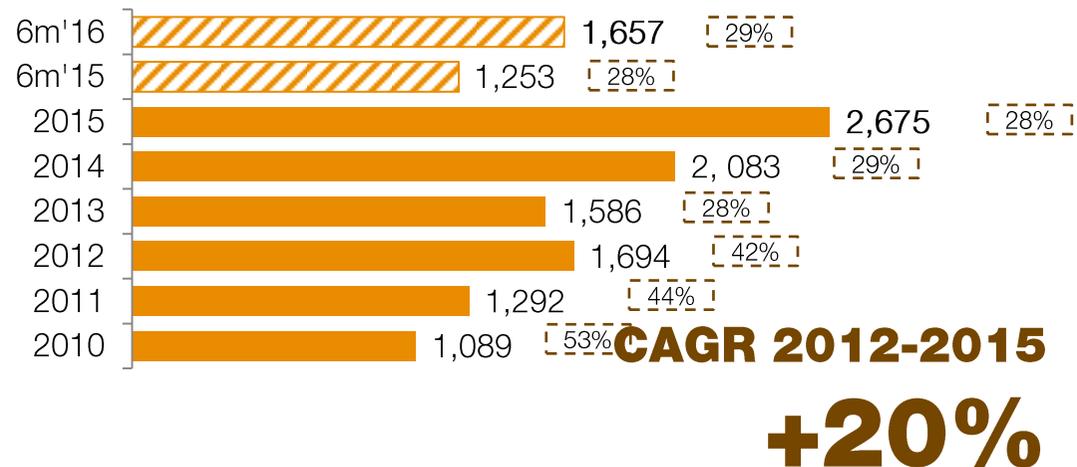
- Track record of a strong growth driven by ramp-up of Lapino & Ufa hospitals, enhanced performance of existing clinics and M&A activity
- Outstanding growth of IVF partly due to increasing share of state-funded cycles
- Constantly increasing number of out-patient treatments through launching new departments at Group's hospitals and dedicated out-patient clinics

EXCELLENT FINANCIAL PERFORMANCE

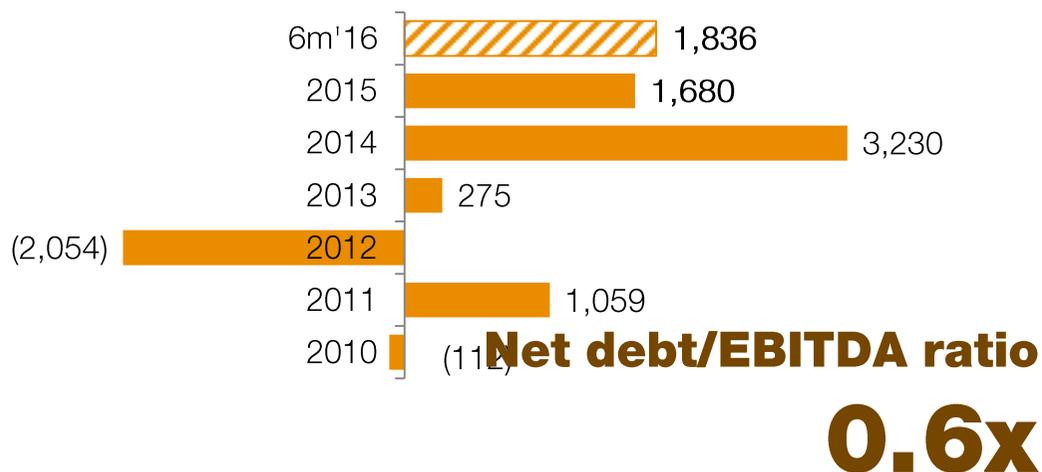
Revenue



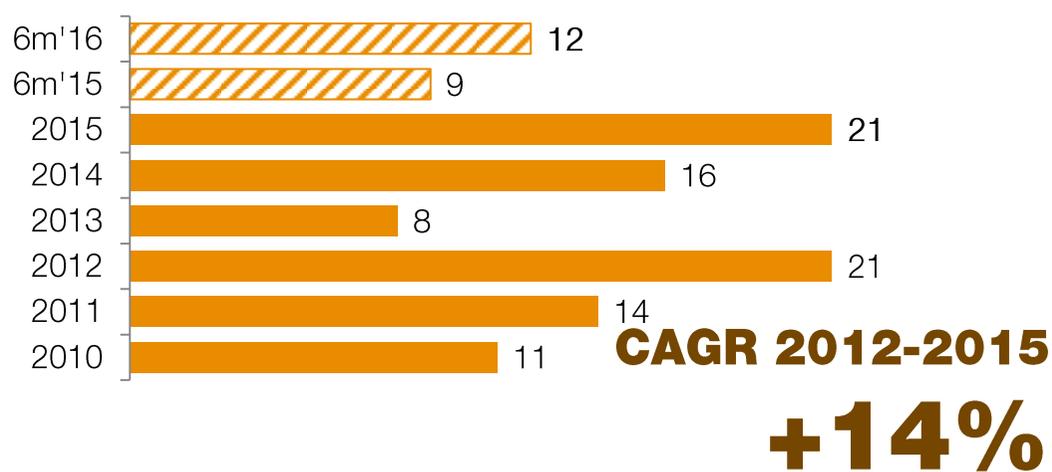
EBITDA



Net Debt



EPS



- Top-line performance in line with brokers expectations with actual results exceeding consensus for 2015 at time of IPO
- Strong LfL increase of revenue and EBITDA in 2014-2016 with Lapino hospital being the largest growth contributor
- Stable margins considering increasing number of regional operations with lower prices vs. Moscow offset by increasing share of high-price delivery contracts at Lapino and PMC
- Comfortable level of leverage at 0.6x Net Debt/EBITDA

HIGHLY QUALIFIED MEDICAL PERSONNEL



• **Our people are our greatest asset. It is only with the determination and dedication of our people that we can provide best care for our patients**

- Based on our commitment to provide best-in-class services and care we see key targets of our HR policy as follows :
 - retain existing staff and add additional highly skilled employees
 - invest in the development of our employees
 - provide an opportunity for personal and career growth
 - provide our employees with the most advanced technology and equipment
 - place the best staff in leading positions at the right time to maximize their potential and grow the company from the inside
 - provide better working conditions to maintain a low staff turnover
 - develop incentive programs for employees
 - develop training programs to improve workers' knowledge in various fields

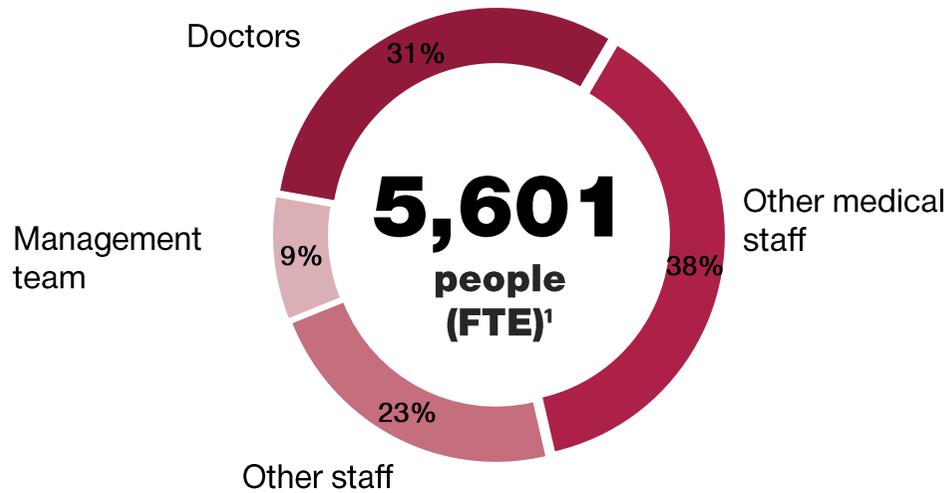
MDMG is proud to provide different means for upgrading professional skills of its employees. In 2016 we continued to improve and diversify the quality of the trainings that we offer to our staff:



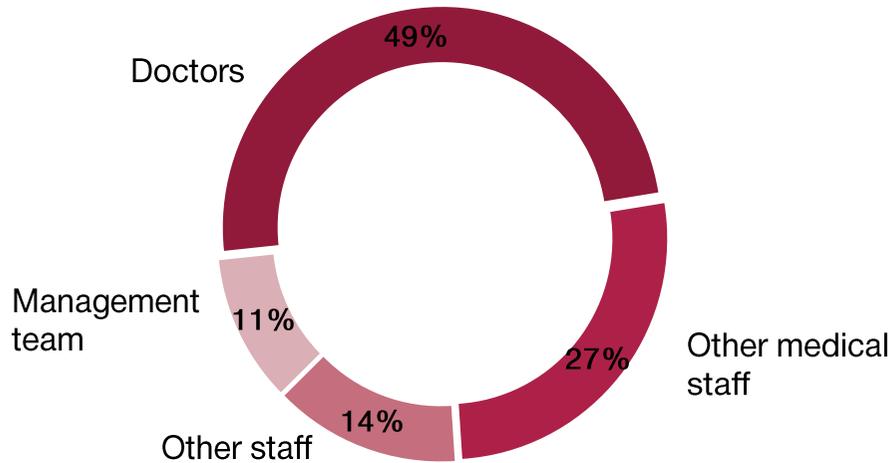
OUR PEOPLE ARE OUR GREATEST ASSET



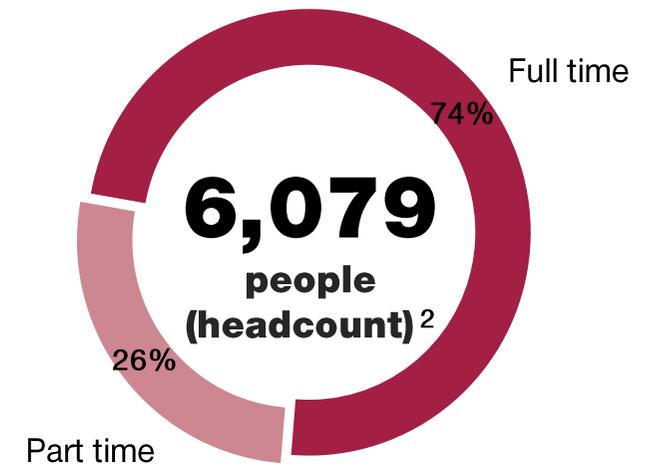
Personnel structure, July 1'16



Payroll structure, July 1'16



Employees, July 1'16



Note: ¹FTE = Full-time equivalent

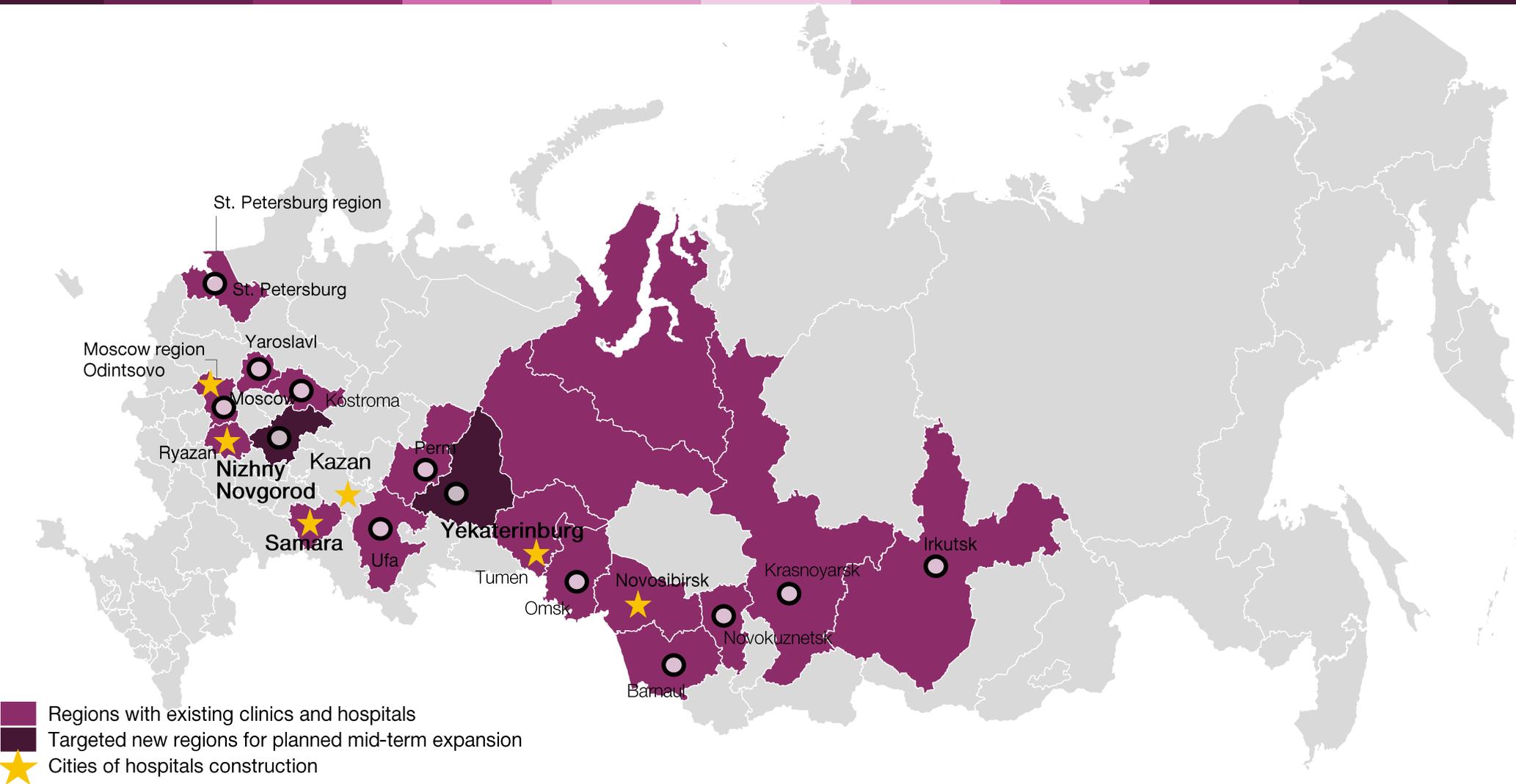
²Headcount = Number of staff

3

STRATEGY



REGIONAL EXPANSION AS ONE OF KEY STRATEGIC TARGETS: MID-TERM PLANS



Key points

- Presence in new regions would be achieved through organic growth and M&A. Company is constantly monitoring for potential accretive M&A opportunities in several Russian regions
- Top priority for Company's attention would be cities with population over 1 mln people and high level of birth rates & disposable income
- MDMG continues to look for new attractive locations in the cities of its presence, i.e. Moscow, Saint Petersburg

MID-TERM ROLL-OUT PLANS IN RUSSIA

Regional development strategy

- MDMG has a list of targeted regions for mid-term expansion and clear criteria for regions of potential presence:
 - Cities with population over 1 mln people and high level of disposable income
 - High birth rates and/or unsatisfied demand for Company's core services
 - Attractive site location
 - Knowledge of the region
 - Regions without competition are preferred



Overview of short- and midterm development projects

Project	Hospitals				Out-patient clinics		
	Novosibirsk	Samara	Lapino-2	Tyumen	Voronezh	Vladimir	Kemerovo
CAPEX (RUB mln)	1,300	3,000 – 3,500	2,500 + 250 land plot	3,000 – 3,500	80	3.5	50
Area (sq m)	7,000	15,000	10,000	15,000	400 - 500	80	500
# of beds	46	147	60	147	-	-	-
Start of construction / Launch	Nov'15 / Feb'17	Jun'16 / Q1'18	Apr'17 / Nov'18	Q2'17 / H1'18	Feb'17 / Jul'17	Nov'16 / Jan'17	Apr'17 / Sept'17

4

KEY FINANCIALS

SUMMARY OF OPERATIONAL AND FINANCIAL PERFORMANCE

Key operational and financial indicators

<i>in RUB mln unless otherwise stated</i>	2013	2014	2015	CAGR, 2013-15	1H 2015	1H 2016	% change
Key operating indicators							
Number of Deliveries	3,816	4,550	5,535	+20%	2,651	3,203	+21%
Number of IVF cycles	5,477	7,654	9,289	+30%	4,211	6,568	+56%
Out-patient visits (admissions), ths.	627	819	1,177	+37%	576	677	+18%
In-patient treatments (patient days), ths.	29	36	51	+33%	26	28	+8%
Key financial indicators							
Revenue	5,673	7,201	9,507	+29%	4,518	5,814	+29%
Gross profit	2,283	2,971	3,589	+25%	1,684	2,222	+32%
EBITDA	1,586	2,083	2,675	+30%	1,253	1,657	+32%
EBITDA margin, %	28%	29%	28%		28%	29%	
Net profit	764	1,320	1,770	+52%	768	987	+28%
Net profit margin, %	13%	18%	19%		17%	17%	
EPS	8.5	15.9	21.4	+59%	9.2	12.0	+31%
DPS	2.4	4.0	6.7	+67%	n/a	3.8	
Dividend payout ratio, %	28%	25%	31%		n/a	32%	
Financial position							
Debt	3,000	4,120	3,454		3,627	3,111	
Cash and cash equivalents	3,273	891	1,774		1,531	1,275	
Net debt ¹	(273)	3,230	1,680		2,096	1,836	
Net debt/EBITDA LTM	(0.2x)	1.6x	0.6x		0.8x	0.6x	
Capex							
Capex (incl. M&A)	3,080	4,931	1,069		343	1,009	

Source: Company data

¹ Calculated as loans and borrowings - cash and cash equivalents

Comments

Operating indicators

- Strong growth driven by ramp-up of Lapino hospital following its launch in 2012, enhanced performance of existing clinics and M&A activity
 - Utilization rates at Lapino increased to 78% for deliveries and 68% for IVF in 1H 2016 (vs. 58% and 26% respectively in 1H 2014)
 - Increased contribution from Ufa hospital and M&C Novosibirsk starting from 2015

Financial indicators

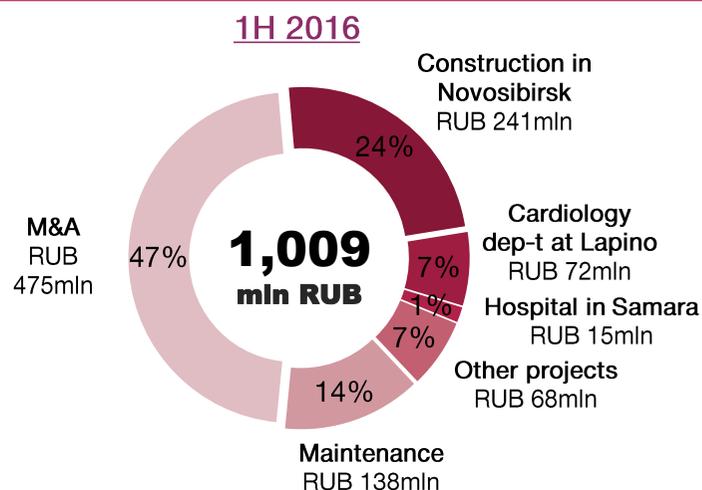
- Strong LfL increase of revenue and EBITDA in 2014-2016 with Lapino hospital being the largest growth contributor
 - LfL revenue growth of 18% in 2014 and 17% in 2015
 - LfL EBITDA growth of 30% in 2014 and 25% in 2015
- Stable margins despite increasing number of regional operations with lower prices vs. Moscow

Financial position

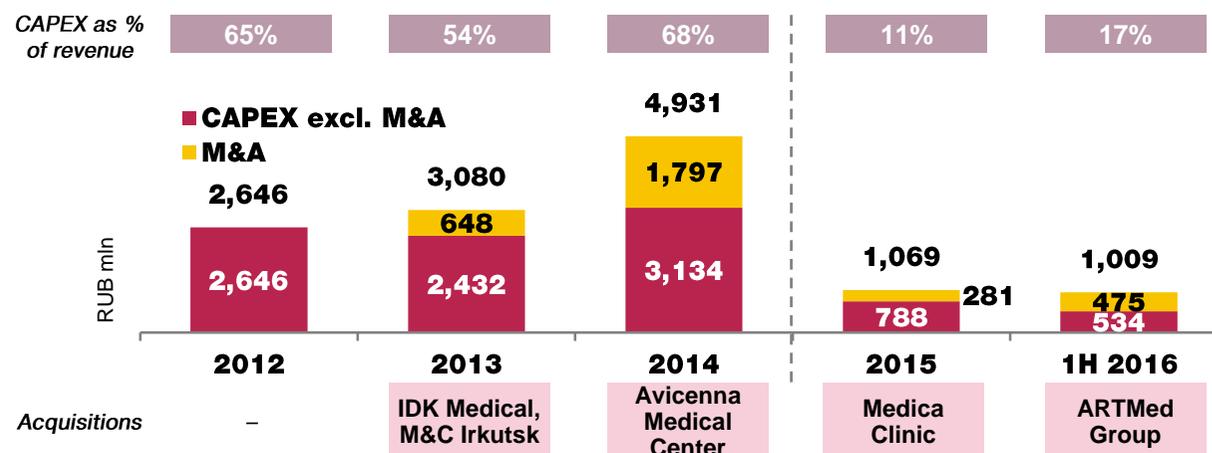
- Comfortable level of leverage at 0.6x
- The company works with negative working capital as a source of additional financing

INVESTMENT PROGRAM

CAPEX structure, incl. M&A



CAPEX dynamics, incl. M&A



Source: Company's audited financial statements under IFRS

Comments

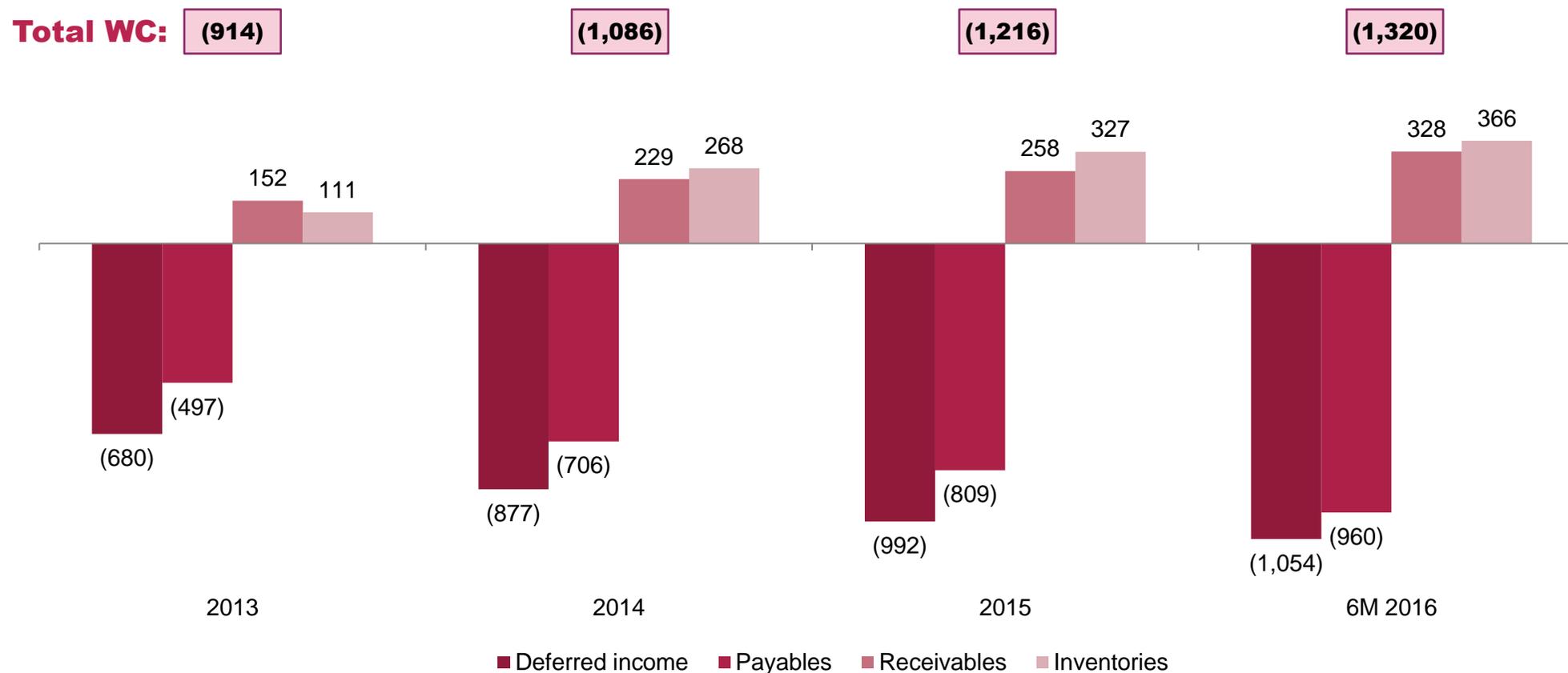
- Group had a solid liquidity position with RUB 1,275mln in cash & cash equivalents as of June 30, 2016
- Group's CAPEX cash outflow (excl. M&A) in 1H 2016 amounted to RUB 534mln
 - Ongoing construction of a new wing of hospital in Novosibirsk remained a major contributor to overall CAPEX (estimated put into operations – Jan-Feb 2017)
- On M&A Group spent RUB 475mln in 1H 2016 and RUB 281mln in 2015
 - Acquisition of ARTMedGroup in 1H 2016
 - Acquisition of Medica Clinic in 2015
- Rationalization of CAPEX spent per new regional facility
 - RUB 3-3.5bn per regional hospital as a benchmark

WORKING CAPITAL

- As company mostly operates on a **pre-payment basis** and the vast majority of revenue comes from direct paying customers, working capital is constantly negative and serves as a **source of additional financing**
- Over the last years company managed to further decrease working capital on the back of **efficient payables management** and increasing amounts of deferred revenue

Working capital evolution

RUB mln

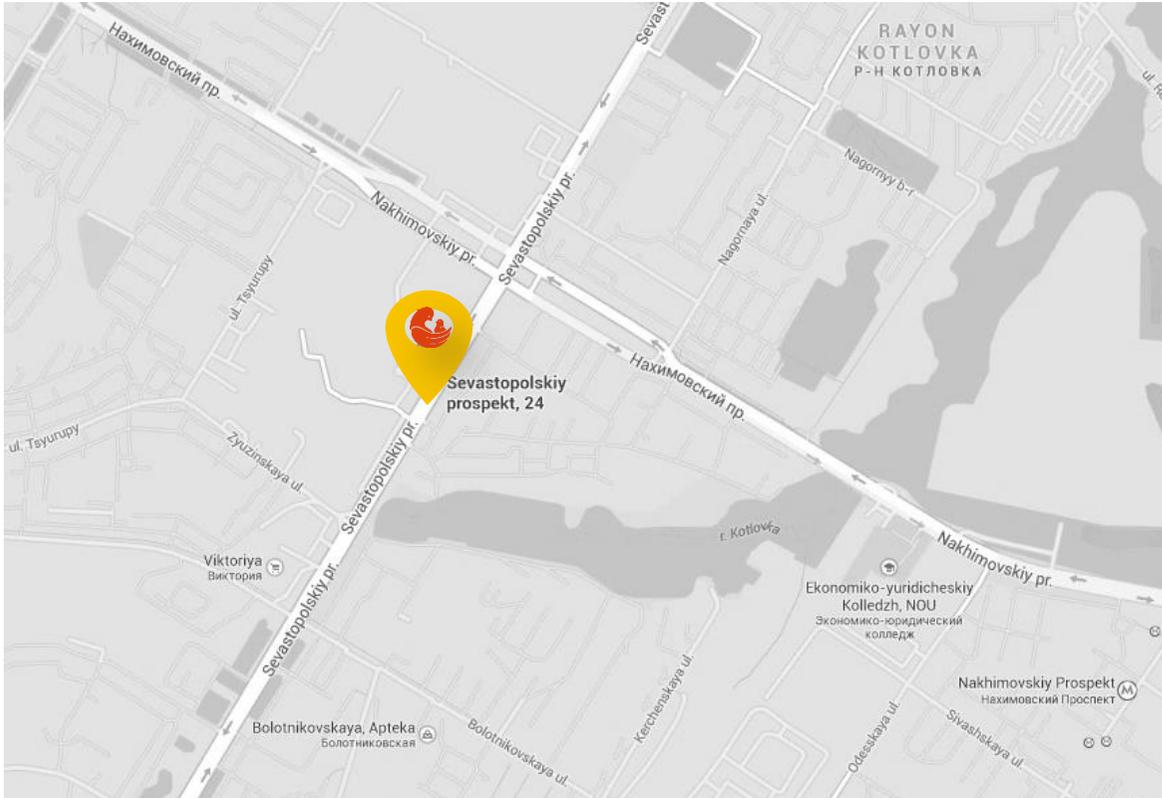


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