

MD MEDICAL GROUP ACQUIRES A NETWORK OF CLINICS FROM ONE OF THE LARGEST PRIVATE HEALTHCARE PROVIDERS

22 May 2025. MD Medical Group IPJSC ("MD Medical", "MDMG", "Group" or the "Company"; MOEX: MDMG), a leading Russian private healthcare provider, announces the acquisition of a 100% stake in Medical Centre Expert, the owner of a clinic network (the "transaction perimeter") that forms part of the nationwide chain of medical centres run by Expert Group.

The transaction perimeter includes 3 hospitals and 18 clinics with a total area of 33,595 sq m scattered across 13 Russian cities:

- 8 diagnostic centres providing MRI and CT services in Kaliningrad (2), Novosibirsk (2), Perm, Shakhty, Kursk and Tver;
- 10 clinical and diagnostic centres offering MRI and CT services alongside out-patient care and diagnostics consultations in various areas of medicine in Borisoglebsk, Voronezh, Kaliningrad, Kursk, Rostov-on-Don, Smolensk, Tver (2), Tula and Khabarovsk;
- 3 hospitals in Irkutsk, Novosibirsk and Perm that provide 24-hour in-patient care and advanced surgical services in addition to standard clinical and diagnostic services.

These clinics can handle over 2 million specialist visits and accommodate 20,000 in-patient days annually.

The network's headcount is 2,900 people. In 2024, the clinics included in the transaction perimeter generated a combined revenue of RUB 6.4 billion compared to RUB 5.4 billion in the previous year. The transaction perimeter does not have any bank debt.

The deal was approved by the Russian Federal Anti-Monopoly Service. The transaction is valued at RUB 8.5 billion to be financed through the Company's own resources.

Strategic rationale and integration

Expert Group's nationwide network is one of the largest in Russia, as it combines diagnostic and multifunctional medical centres that have been operating in the private healthcare market since 2007. Expert Group ranked eighth in Vademecum's list of Russia's largest private clinics in 2023.

The acquisition deal will accelerate the Company's expansion plans: following its completion, MD Medical Group will get new capacities with an established customer base and experienced healthcare personnel.

The addition of Expert Group's assets will allow the Company to enter the healthcare market of four new regions. Expert Group is a market leader in several regions where MD Medical Group is not yet present. This creates ample opportunities for the Company to expand in these regions by launching new services, primarily in the realm of reproductive medicine. Furthermore, acquisition of several clinics in Novosibirsk under the deal will make the Group the leading private healthcare provider in the region. The geographic proximity of Expert Group's facilities to MD Medical Group's existing hospitals and clinics is expected to generate strong synergies, enabling efficient patient referrals for additional medical services.

Expert Group's expertise in MRI and CT diagnostics and its advanced IT capabilities in this area will help the Company increase its revenue from highly popular diagnostic services.

Expert Group's management team, which brings together top managers with deep expertise in medicine and management, will play a key role in the development of the combined Group, ensuring continuity of the strategic course and effective implementation of best practices.

Expert's network of clinics will keep operating as a standalone brand, retaining its core operational processes and identity.

MD Medical Group will begin consolidating the transaction perimeter into its financial reporting from May 2025.

MD Medical CEO Mark Kurtser said:

“Acquiring a network of clinics from one of Russia’s leading private healthcare providers creates unique opportunities for synergy and growth. By combining our resources, expertise and innovation, we will build a powerful integrated model that will significantly strengthen our market position.

This deal enables us to broaden our customer base and geographical footprint, while also expanding our service offering and increasing the Group’s revenues.

With the transaction’s financing spread across several instalments, we will be able to maintain a sufficient free cash flow to continue investing, among other things, in our Capex programme and dividend payouts.”

Expert Group Chairman of the Board of Directors and co-founder Elena Latysheva said:

“The decision to sell part of the business was driven by the strategic choice of Expert Group shareholders in favor of transformation into a digital platform that creates products and services that ensure effective interaction between market participants in the field of radiation diagnostics, as well as focusing the medical part of the business on the format of diagnostic centers.

After the deal, 43 diagnostic centers in 35 cities of Russia, Armenia and Uzbekistan will continue to operate within the perimeter of Expert Group allowing for more than 1 million tomographic examinations per year. 2024 revenue of this part of the business amounted to RUB 4.3 bln.”

About MD Medical Group

MD Medical Group is a leading provider in the highly attractive Russian private healthcare service market. Today, the Company manages 86 state-of-the-art healthcare facilities, including 14 multidisciplinary hospitals and 72 out-patient clinics in 35 regions of the Russian Federation. In 2024, MD Medical Group's revenue amounted to RUB 33.1 bln while EBITDA stood at RUB 10.7 bln. The Company's ordinary shares are traded on Moscow Exchange (MOEX: MDMG).