

MD MEDICAL GROUP REPORTS 21% INCREASE IN REVENUE FOR Q4 2023

MD Medical Group Investments Plc (“MD Medical Group”, “MDMG”, “Group” or the “Company”; MOEX: MDMG), a leading Russian private healthcare provider, today announces its operating and unaudited financial results for the fourth quarter of 2023.

Key financial highlights for Q4 2023:

- **Total revenue** increased by **20.6%** year-on-year (y-o-y) to **RUB 7,984 million** thanks to double-digit revenue growth across all service segments in both Moscow and regional hospitals and clinics
- Revenue of the Group’s **hospitals in Moscow** rose by **21.6%** y-o-y to **RUB 3,992 million** mainly due to an increase in revenue from out-patient treatments and IVF cycles
- Revenue of the Group’s **regional hospitals** increased by **17.9%** y-o-y to **RUB 2,073 million**, driven by a significant increase in bed occupancy, number of out-patient treatments, and deliveries
- Revenue from out-patient **clinics in Moscow and the Moscow Region** rose by **14.6%** y-o-y to **RUB 810 million**
- Revenue from **regional out-patient clinics** increased by **27.0%** y-o-y to **RUB 1,096 million**.

Key operational highlights for Q4 2023:

- Total **deliveries** increased by **25.6%** y-o-y to **2,579**
- Total **IVF cycles** went up by **17.7%** to **5,208**
- Total **in-patient treatments** rose by **3.3%** y-o-y to **40,613**
- Total **out-patient treatments** increased by **19.0%** y-o-y to **602,590**.

Key financial highlights for 12M 2023:

- **Total revenue** increased by **9.6%** y-o-y to **RUB 27,631 million** thanks to growth in revenue of both Moscow and regional hospitals and clinics
- **Like-for-like (LFL) revenue** grew by **8.5%** y-o-y
- Revenue of the Group’s **hospitals in Moscow** rose by **3.1%** y-o-y to **RUB 13,419 million** mainly due to an increase in the number of IVF cycles and out-patient treatments in obstetrics and gynaecology, pediatrics, diagnostics, and telemedicine
- Revenue of the Group’s **regional hospitals** increased by **15.5%** y-o-y to **RUB 7,514 million** driven by significantly improved utilisation of hospital delivery capacity in St Petersburg, Samara and Tyumen. As well as increased hospital inpatient capacity in Novosibirsk (traumatology and pediatrics), Samara (cardiology and pediatrics), and Lakhta (pediatrics and gynaecology), along with a simultaneous increase in the average ticket across all regional hospitals’ service segments
- Revenue from out-patient **clinics in Moscow and the Moscow Region** rose by **9.7%** y-o-y to **RUB 2,885 million** on the back of stronger demand for IVF services and increased number of out-patient treatments
- Revenue from **regional out-patient clinics** went up by **23.6%** y-o-y to **RUB 3,780 million** mainly due to an increase in the number of IVF cycles and their average ticket.

**Key operational highlights for 12M 2023:**

- Total **deliveries** increased by **15.3%** y-o-y to **9,891**, with the **average ticket** up **0.9%** y-o-y to **RUB 487.2 thousand** in Moscow and up **11.5%** y-o-y to **RUB 201.9 thousand** in other regions
- Total **IVF cycles** went up by **14.6%** y-o-y to **19,326**, with the **average ticket** up **6.0%** to **RUB 290.4 thousand** in Moscow and up **10.1%** y-o-y to **RUB 270.0 thousand** in other regions
- Total **in-patient treatments** decreased by **2.5%** y-o-y to **146,342** due to the decline of the COVID-19 pandemic, with the **average ticket** down **1.8%** to **RUB 89.1 thousand** in Moscow and up **14.7%** y-o-y to **RUB 39.8 thousand** in other regions
- Total **out-patient treatments** went up by **11.4%** y-o-y to **2,123,216**, with the **average ticket** up **4.0%** to **RUB 5.5 thousand** in Moscow and up **2.8%** y-o-y to **RUB 2.2 thousand** in other regions.

Key events during Q4 2023 and after the reporting period:

- **MD Group Michurinsky multifunctional hospital opened.** In November 2023, the Group launched its new 8,755 sq m hospital acquired earlier in the middle of the year. The amount of investment in the project is estimated at RUB 2,840 million, including additional investment in medical equipment and building renovations
- **Primary listing status on the Moscow Exchange obtained.** On 7 November 2023, the Bank of Russia registered the prospectus of the Company's Global Depositary Receipts (GDRs) and admitted them to public trading in Russia. This completed the procedure initiated by the Company to change its listing status on the Moscow Exchange to primary
- **Dividend policy approved.** In December 2023, the Board of Directors approved the Company's dividend policy, stating that MD Medical Group can pay dividends in the amount of up to 100% of net profit, including accrued net profit, if any, based on the Company's consolidated financial statements under IFRS for the past financial year, and based on interim financial statements for the purposes of interim dividends
 - **MD Group Zilart multifunctional family clinic launched.** In January 2024, the Group opened a new 452 sq m multifunctional medical centre with an annual capacity of over 50,000 out-patient treatments. Total investments in the project exceeded RUB 81 million.

MDMG CEO Mark Kurtser said:

"We are thrilled by the remarkable revenue and operational performance achieved in the reporting quarter, fuelled by the resurgence of robust purchasing power, reproductive behaviour, and patient demand. Our revenue added over 20% y-o-y in Q4 2023 and 10% y-o-y in 12M 2023.

Women's and children's health services demonstrated consistently strong revenue growth. In 2023, the number of deliveries surged by 15% y-o-y, nearly reaching the milestone of 10,000, with a growth rate of 26% seen in Q4. These results were primarily driven by our Moscow hospitals, which enjoyed a capacity utilisation rate of over 70%.

The number of IVF cycles expanded by 18% and 15% in Q4 2023 and 12M 2023 respectively. I am delighted to acknowledge the remarkable IVF performance of our regional facilities, including a major contribution to the increase in deliveries by our recently launched hospital in St Petersburg and the impressive IVF results of regional clinics.

The patients' care for their health is a driving force behind the growth in our out-patient treatments both in Moscow and other regions. Their total number across the Group increased by 19% and 11% in Q4 2023 and 12M 2023 respectively.

The opening of a new large hospital in Moscow's Michurinsky Avenue in November 2023 and the launch of the new MD Group Zilart multifunctional family clinic in early 2024 is set to contribute to the Company's growth and advancement in 2024. Our plans to further expand operations in Moscow and other regions are supported by a net cash year-end position of RUB 9 billion.



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We are nearing the completion of the Company's redomiciliation to Russia and anticipate finalising it early in Q2 2024. This will enable us to resume dividend payments in line with the new dividend policy, which provides for dividends of up to 100% of the Company's net profit, including accrued profit from previous reporting periods.

I am grateful to our patients – for entrusting us with their health, to our shareholders and investors – for their strong support of our investment case, and to our management and medical staff – for their great teamwork and dedication. The accomplishments of MD Medical Group are the result of our shared commitment.”



Key Highlights for Q4 and 12M 2023

Operating indicators	4Q 2023	4Q 2022	change, %	12M 2023	12M 2022	change, %
Moscow hospitals						
Out-patient visits	162 616	138 418	17,5%	573 703	530 890	8,1%
In-patient days	18 898	18 624	1,5%	66 099	67 566	(2,2%)
IVF cycles	967	730	32,5%	3 298	2 741	20,3%
Deliveries	1 223	952	28,5%	4 631	4 275	8,3%
Hospitals in Regions						
Out-patient visits	205 827	185 631	10,9%	752 761	688 928	9,3%
In-patient days	20 949	19 829	5,6%	77 494	79 741	(2,8%)
IVF cycles	844	714	18,2%	3 098	2 902	6,8%
Deliveries	1 356	1 102	23,0%	5 260	4 301	22,3%
Out-patient clinics in Moscow and Moscow region						
Out-patient visits	58 693	55 114	6,5%	222 872	209 955	6,2%
IVF cycles	1 197	1 032	16,0%	4 467	4 079	9,5%
Out-patient clinics in Regions						
Out-patient visits	175 454	127 318	37,8%	573 880	475 490	20,7%
In-patient days	767	879	(12,7%)	2 749	2 713	1,3%
IVF cycles	2 200	1 950	12,8%	8 463	7 140	18,5%
Total out-patient visits	602 590	506 481	19,0%	2 123 216	1 905 263	11,4%
Total in-patient days	40 613	39 333	3,3%	146 342	150 020	(2,5%)
Total IVF cycles	5 208	4 426	17,7%	19 326	16 862	14,6%
Total deliveries	2 579	2 054	25,6%	9 891	8 576	15,3%

Revenue, RUB mln	4Q 2023	4Q 2022	change, %	12M 2023	12M 2022	change, %
Hospitals in Moscow						
Out-patient visits	871	695	25,3%	3 070	2 695	13,9%
In-patient days	1 812	1 645	10,2%	5 891	6 130	(3,9%)
IVF cycles	302	212	42,5%	991	764	29,7%
Deliveries	664	454	46,3%	2 256	2 064	9,3%
Other revenue	343	277	24,0%	1 211	1 360	(10,9%)
Hospitals in Regions						
Out-patient visits	492	417	18,0%	1 780	1 539	15,7%
In-patient days	876	756	15,9%	3 116	2 788	11,8%
IVF cycles	254	203	25,1%	887	747	18,7%
Deliveries	283	210	34,8%	1 062	779	36,3%
Other revenue	168	173	(2,9%)	669	653	2,5%
Out-patient clinics in Moscow and Moscow region						
Out-patient visits	363	330	10,0%	1 319	1 230	7,2%
IVF cycles	366	294	24,5%	1 264	1 105	14,4%
Other revenue	81	83	(2,4%)	302	295	2,4%
Out-patient clinics in Regions						
Out-patient visits	367	259	41,7%	1 163	974	19,4%
In-patient days	23	24	(2,5%)	75	71	5,6%
IVF cycles	615	508	21,0%	2 235	1 715	30,3%
Other revenue	91	72	26,0%	307	297	3,4%
Managing company and other	13	7	85,7%	33	16	106,3%
Hospitals in Moscow	3 992	3 283	21,6%	13 419	13 013	3,1%
Hospitals in Regions	2 073	1 759	17,9%	7 514	6 506	15,5%
Out-patient clinics in Moscow and Moscow region	810	707	14,6%	2 885	2 630	9,7%
Out-patient clinics in Regions	1 096	863	27,0%	3 780	3 057	23,6%
Total Revenue	7 984	6 619	20,6%	27 631	25 222	9,6%



Average ticket	4Q 2023	4Q 2022	change,%	12M 2023	12M 2022	change,%
Moscow hospitals						
Out-patient visits	5,4	5,0	6,7%	5,4	5,1	5,4%
In-patient days	95,9	88,3	8,6%	89,1	90,7	(1,8%)
IVF cycles	312,3	290,4	7,5%	300,5	278,7	7,8%
Deliveries	542,9	476,9	13,8%	487,2	482,8	0,9%
Hospitals in Regions						
Out-patient visits	2,4	2,2	6,4%	2,4	2,2	5,9%
In-patient days	41,8	38,1	9,7%	40,2	35,0	15,0%
IVF cycles	300,9	284,3	5,9%	286,3	257,4	11,2%
Deliveries	208,7	190,6	9,5%	201,9	181,1	11,5%
Out-patient clinics in Moscow and Moscow region						
Out patient visits	6,2	6,0	3,3%	5,9	5,9	1,0%
IVF cycles	305,8	284,9	7,3%	283,0	270,9	4,5%
Out-patient clinics in Regions						
Out patient visits	2,1	2,0	2,8%	2,0	2,0	(1,1%)
In-patient days	30,5	27,3	11,7%	27,3	26,2	4,3%
IVF cycles	279,4	260,5	7,2%	264,1	240,3	9,9%

LFL performance for Q4 and 12M 2023, % y-o-y

	4Q 2023			12M 2023		
	Revenue	Actual capacity	Average ticket	Revenue	Actual capacity	Average ticket
Moscow hospitals						
Out-patient visits	24,8%	17,1%	6,6%	13,8%	8,0%	5,4%
In-patient days	10,1%	1,5%	8,6%	(3,9%)	(2,2%)	(1,8%)
IVF cycles	42,0%	31,9%	7,7%	29,6%	20,2%	7,8%
Deliveries	46,3%	28,5%	13,8%	9,3%	8,3%	0,9%
Other revenue	23,7%	-	-	(11,0%)	-	-
Hospitals in Regions						
Out-patient visits	18,0%	10,9%	6,4%	15,3%	8,8%	5,9%
In-patient days	15,9%	5,6%	9,7%	11,0%	(3,7%)	15,3%
IVF cycles	25,1%	18,2%	5,9%	18,7%	6,8%	11,2%
Deliveries	34,8%	23,0%	9,5%	34,5%	20,6%	11,5%
Other revenue	(2,9%)	-	-	1,3%	-	-
Out-patient clinics in Moscow and Moscow region						
Out patient visits	7,5%	3,4%	4,0%	5,0%	3,0%	1,9%
IVF cycles	24,5%	16,0%	7,3%	14,4%	9,5%	4,4%
Other revenue	(4,3%)	-	-	(2,9%)	-	-
Out-patient clinics in Regions						
Out patient visits	11,4%	11,1%	0,2%	9,9%	12,2%	(2,1%)
In-patient days	(2,9%)	(12,7%)	11,3%	3,4%	1,3%	2,1%
IVF cycles	18,7%	9,5%	8,4%	26,9%	14,3%	11,0%
Other revenue	7,2%	-	-	(4,1%)	-	-
Managing company and other	85,7%	-	-	106,3%	-	-
Total Revenue	18,8%			8,5%		

Hospitals in Moscow

In Q4 2023, revenue from Moscow hospitals showed a two-digit growth across all service segments, up 21.6% y-o-y to RUB 3,992 million. This was driven by both stronger operational results and improved average ticket for all healthcare services supported among other things by the service price indexation in September 2023.

The growth was mainly driven by 46.3% rise in revenue from deliveries thanks to the traditional rise in the number of deliveries (+28.5%), accompanied by a 13.8% increase in the segment's average ticket.

Out-patient treatments were the second-largest contributor to the revenue growth: their number increased by 17.5% and the average ticket was up by 6.7%. The rise in the number of Moscow hospitals' out-patient treatments was attributed to a strong demand for diagnostic, telemedicine, gynaecology, and pediatrics services during the reporting period, which helped generate RUB 871 million in revenue in Q4 2023.

Revenue from in-patient treatments increased by 10.2% to RUB 1,812 million, mainly thanks to the growth in the volume of traumatology, pediatrics, and gynaecology services, as well as the launch of the new neurosurgery department and the strengthening of the plastic surgery team at the Lapino Clinical Hospital. Q4 2023 also saw a surge in COVID and other complex viral infections.

Q4 revenue from IVF services went up by 42.5% y-o-y to RUB 302 million on the back of a 32.5% increase in the number of IVF cycles.

Hospitals in regions

In Q4 2023, regional hospitals' revenue saw a double-digit growth across all service segments, up 17.9% y-o-y to RUB 2,073 million.

This growth was mainly driven by a 15.9%, or RUB 120 million, rise in revenue from in-patient treatments, particularly in Novosibirsk, Tyumen and Samara, which in turn came on the back of an increase in the number of in-patient treatments (+5.6% y-o-y) and their average ticket (+9.7%), including due to complex surgeries and a surge in seasonal viral diseases. During the reporting period, regional hospitals focused on providing comprehensive healthcare services both commercially (in gynaecology, surgery, oncology) and under Mandatory Health Insurance (MHI) programmes (in urology, traumatology, cardiology, oncology).

A 10.9% growth in the number of out-patient treatments was driven by robust demand for children's and women's healthcare services, as well as diagnostics and telemedicine services in hospitals in Tyumen, Ufa, and Samara.

A considerable increase in the number of deliveries (+23.0%) came on the back of strong results of the MD Group Lakhta hospital in St Petersburg, which achieved a high utilisation rate in the reporting period, as well as strong performance in deliveries at hospitals in Ufa and Samara.

In Q4 2023, the number of IVF cycles increased by 18.2% y-o-y partially due to the patient flow from the Khanty-Mansi Autonomous Area–Yugra and the Yamalo-Nenets Autonomous Area amid the growing popularity of the hospital in Tyumen. As a result, revenue in this segment added 25.1% y-o-y.

Out-patient clinics in Moscow and Moscow Region

In Q4 2023, revenue from clinics in Moscow and the Moscow Region rose by 14.6% y-o-y to RUB 810 million thanks to an increase in the number of out-patient treatments and IVF cycles.

Revenue from IVF services went up by 24.5% y-o-y to RUB 366 million on the back of a 16.0% increase in the number of IVF cycles including under MHI programmes, as well as a 7.3% rise in the average ticket due to the growing number of genetic studies and the application of new standards of treatment

(EmbryoScope).

Out-patient clinics in regions

In Q4 2023, revenue from regional out-patient clinics went up by 27.0% y-o-y to RUB 1,096 million. The improvement was mainly driven by an increase in the number of out-patient treatments and IVF cycles, as well as higher average ticket, supported among other things by the service price indexation in September 2023. The recently launched clinic in Yekaterinburg, as well as clinics in Rostov, Krasnodar, and St Petersburg, were the key contributors to the revenue growth of regional outpatient clinics.

A 37.8% increase in regional clinics' out-patient treatments came on the back of patient demand for obstetrics and gynaecology, diagnostics, and telemedicine services.

A 12.8% y-o-y growth in the number of IVF cycles and a 7.2% rise in their average ticket were due to the increase in the number of IVF services provided both commercially and under MHI programmes.

Net Cash position

As of 31 December 2023, the Group's debt represented entirely by lease liabilities increased from the 30 September 2023 level by RUB 20 million to RUB 876 million, while its cash balance grew by RUB 2,385 million to RUB 9,894 million. As a result, as at 31 December 2023, the Company's net cash position amounted to RUB 9,017 million.

Capex

Total Capex increased by RUB 316 million to RUB 486 million in Q4 2023. The hospital segment accounts for the bulk of Capex (70%). In the reporting period, the Group launched a new hospital MD Group Michurinsky in Moscow acquired in Q32023.

Total Capex in 2023 amounted to RUB 3,580 million.

Notes:

1. This announcement contains inside information
2. Data is based on management accounts
3. Minor variations in calculation of totals, subtotals and/or percentage change are due to rounding of decimals

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About MD Medical Group

MD Medical Group is a leading provider in the highly attractive Russian private healthcare service market. Today, the Company manages 55 state-of-the-art healthcare facilities, including 11 multidisciplinary hospitals and 44 out-patient clinics in 27 regions of the Russian Federation. In 2023, MD Medical Group's revenue amounted to RUB 27.6 bln. The Company's GDRs are traded on Moscow Exchange (MOEX: MDMG).

Forward-Looking Statements



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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.