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**MOTHER & CHILD**  
GROUP OF COMPANIES



## ACQUISITION OF ARTMedGroup (Krasnoyarsk, Russia)

07 December, 2015



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# MDMG'S STRATEGY IN ACTION: ARTMedGroup (Krasnoyarsk, Russia)

- The first clinics of the ARTMedGroup (AMG) was opened in 1996. Company successfully operates on the market for 19 years and is included in TOP-5 list of Russian private players on IVF market and #1 private player in Siberia
- AMG is operating on 3,415 sq m of facilities located in the center of each city of its presence. 84% of premises are leased
- Group's focus is IVF and obstetrics and gynecology which is an absolute match with MDMG's profile. AMG is considered to be an ideal fit for MDMG's expanding network across Russia
- AMG is present in most of the key cities of Siberian Federal district which is one of the wealthiest federal districts of Russia
- Total population of cities of Group's presence is ca 4.4 mln people while total population of Siberian Federal district is ca 7.5 mln people
- Company's revenue accounted for RUB 395 mln for FY 2014; RUB 322 mln for 9m 2015
- In 2014 AMG made 2,145 cycles of IVF; in 9m 2015 1,594 cycles were performed

## New regions of MDMG presence and new asset in Novosibirsk



## Key terms of the transaction

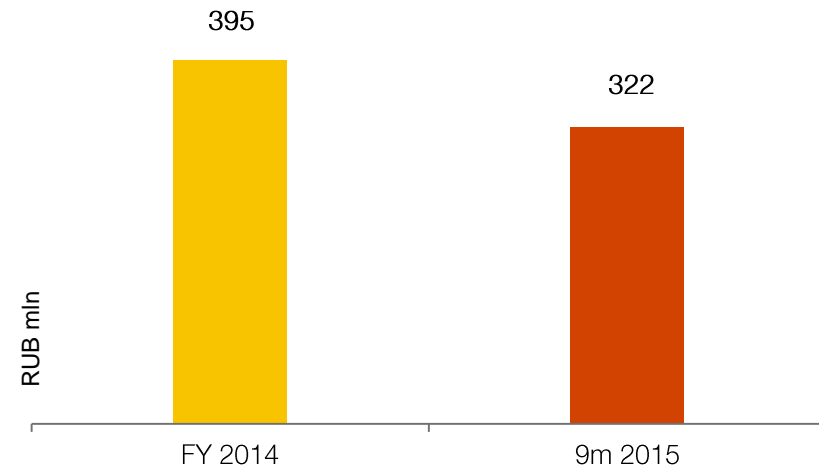
|                         |   |
|-------------------------|---|
| <b>Object</b>           | 100% of ArtMedGroup   |
| <b>Enterprise value</b> | RUB 500 mln: RUB <u>485 mln</u> will be paid in 2016; RUB <u>15 mln</u> of net debt     |
| <b>Closing</b>          | The transaction is expected to be completed in January, 2016 after regulatory approvals |
| <b>Funds</b>            | 100% own funds  |

# ATTRACTIVE ACQUISITION OF HEALTHY BUSINESS

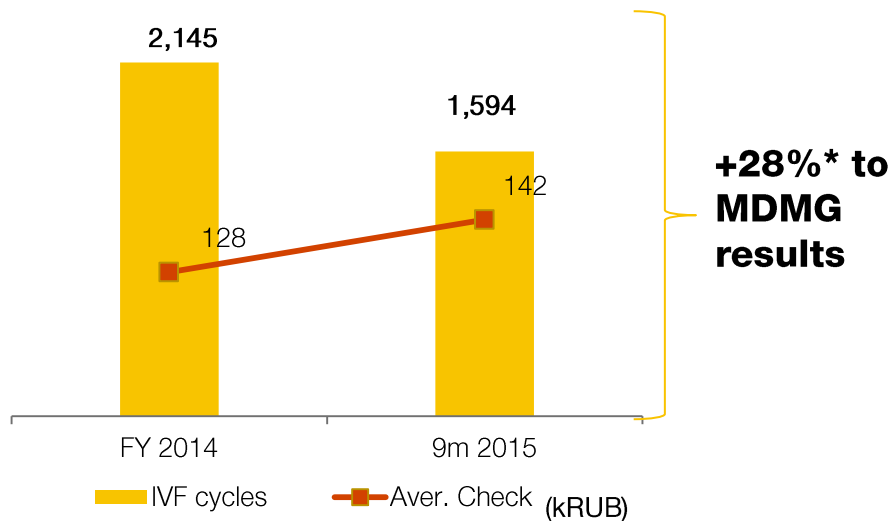
## AMG clinic in Novosibirsk



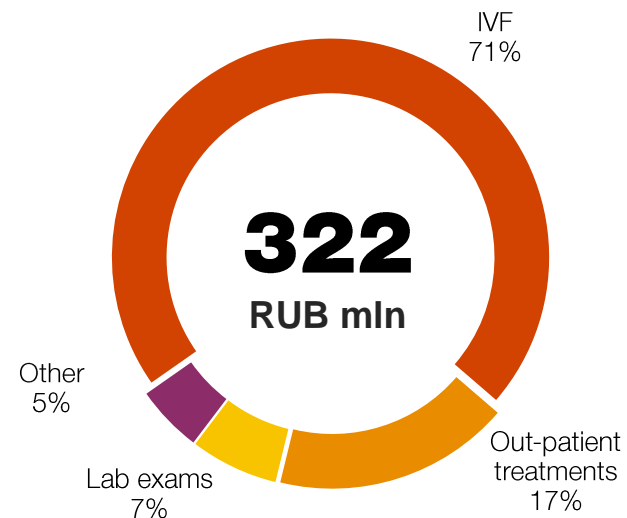
## Revenue of AMG



## IVF cycles



## AMG revenue structure, 9m 2015



\* - based on FY 2014 MDMG IFRS results  
Source: AMG's unaudited management accounts for 2014- 2015

# ATTRACTIVE NEW REGION FOR MDMG PRESENCE

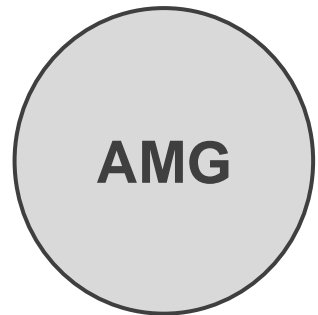


## Group's presence in one of the key Federal districts of Russia



| AMG presence              | Population               | % of urban population | Number of deliveries in the region, per year | Birth rate in the region, per thousand population |
|---------------------------|--------------------------|-----------------------|--|---|
| Krasnoyarsk (region)      | 1,052,218<br>(2,852,810) | 76%                   | 41,218                                       | 14.4  |
| Novosibirsk (region)      | 1,567,087<br>(2,731,176) | 78%                   | 38,387                                       | 14  |
| Omsk (region)             | 1,173,854<br>(1,978,200) | 72%                   | 29,761                                       | 15  |
| Barnaul (region)          | 635,530<br>(2,390,638)   | 56%                   | 31,556                                       | 13.2  |
| Siberian Federal District | 19,312,169               | 73%                   | 283,886                                      | 14.7  |

# ARTMEDGROUP CLINICS – INVESTMENT HIGHLIGHTS



## Expansion to new attractive regions

### Support

- Presence in most of the key cities of Siberia: Krasnoyarsk, Omsk, Novosibirsk, Barnaul with total population of 4.4 mln people and high regional GRP per capita
- Regions of AMG presence are one of the most densely populated in Siberia
- Birth rates higher than average indicators across Russia

### MDMG benefit

- New attractive region for Company's presence

## Focus on IVF and gynaecology

- AMG is in TOP-5 of Russian private players on IVF market and #1 private player in Siberia
- OBGYN and IVF make a big contribution (78%) to AMG's revenue
- Consolidation of AMG operational results will add to Group numbers +28% of IVF cycles based on FY 2014 results

- MDMG strengthens its position on the core market

## 19 years of successful operations

- AMG works with doctors who are recognised as regional leaders in IVF, OBGYN and ultrasound diagnostics
- ARTMedGroup's doctors implement advanced medical technologies and use modern equipment
- Company has highly competent physicians and strong management team who will remain with the business after acquisition

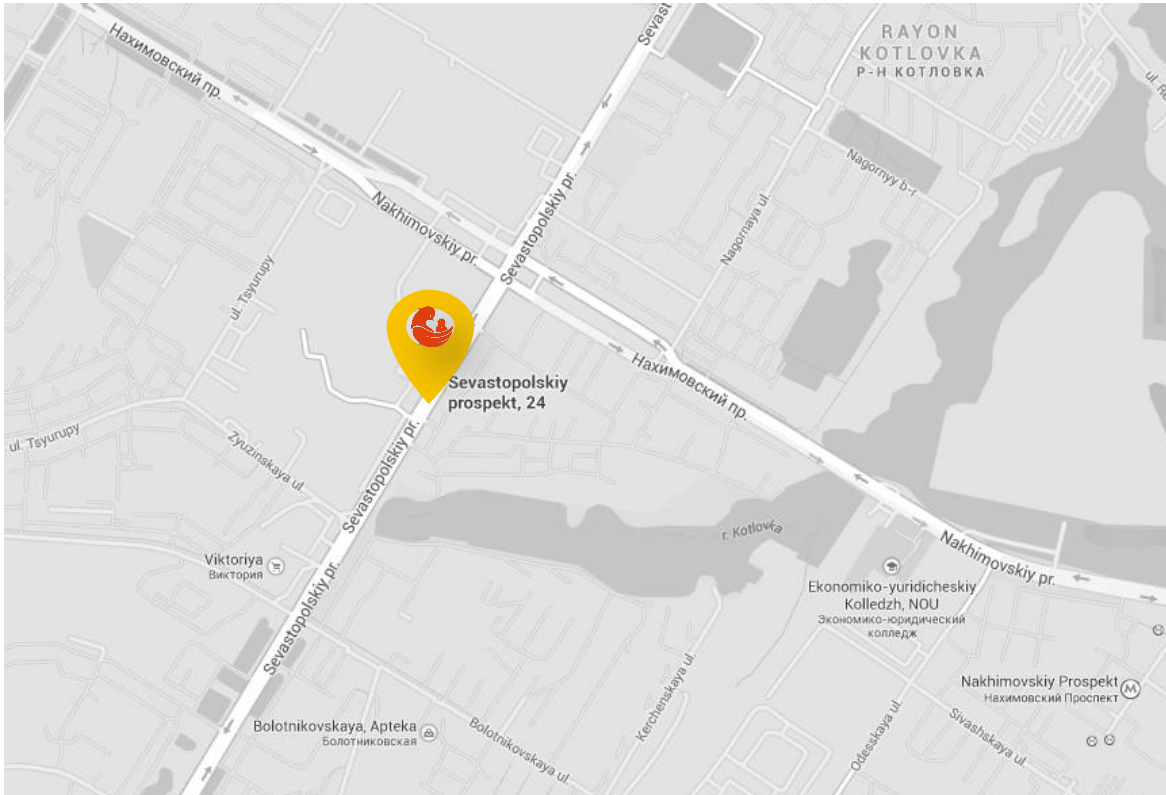
- MDMG aims to work with the leaders of medical business

# CONTACTS



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