



GEORGIA
HEALTHCARE
GROUP

Investor Presentation

First quarter of 2019 results

**Investing in the growth and quality of healthcare
in Georgia**

May 2019
ghg.com.ge



 **GHG | Overview**

 GHG | Strategy

 Macroeconomic and industry overview

 Annexes



The only fully integrated healthcare provider in the region

Our presence





A unique investment story supported by compelling theme

GHG's⁽¹⁾ market leading position, a unique business model with significant growth potential and highly experienced management team make it a credible investment opportunity

1

Market leader

- ✓ **The largest healthcare service provider in Georgia:** 24.9% market share by number of referral hospitals and community clinics beds – 3,320⁽²⁾.
- ✓ **The largest pharmaceuticals retailer and wholesaler in Georgia:** c.30% market share by sales⁽³⁾, over two million client interactions per month, with c.0.7 million loyalty card members.
- ✓ **In 2019 we became the largest medical insurer in Georgia with 229,000 insured individuals:** in 2018 with c.158.000 insured clients, the business held 26.6%⁽⁴⁾ market share by revenue.
- ✓ **The largest diagnostics laboratory in Georgia, as well as in the entire Caucasus region (“Mega Lab”):** opened in December 2018.
- ✓ **Institutionalising the industry:** strong corporate governance; standardised processes; improving safety and quality by progressive implementation of the Joint Commission International (“JCI”) benchmarked standards; own personnel training centre.

2

Business model with cost and synergy advantages

- ✓ **The single largest integrated company in the Georgia healthcare ecosystem with a cost advantage due to its scale of operation:**
 - The largest purchaser of pharmaceutical products in Georgia
 - The next largest healthcare services competitor has only 5% market share by beds
- ✓ **Better access to professional management and high-calibre talent:**
 - One of the largest employers in the country: 16,092 full-time employees, including 3,635 physicians, 3,404 nurses and 2,971 pharmacists
- ✓ **Referral system and synergies with insurance and pharmacy and distribution businesses:**
 - Presence of patient pathway and referral synergies
 - Insurance activities provide steady revenue stream for our polyclinics and bolster hospital patient referrals
 - Around 0.7 million loyal customers in our pharmacies with an upside to cross-sell



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Long-term high-growth opportunities

3

- ✓ **Low base:** Georgia with low per capita expenditure on healthcare – US\$324⁽⁵⁾, and with only 3.5 outpatient encounters per capita annually⁽⁶⁾, has the vast potential for further increase.
- ✓ **Supported by attractive macro environment:** Georgia – one of the fastest-growing countries in Eastern Europe, is an open and easy emerging market to do business⁽⁷⁾, with real GDP growth averaged 4.5% annually in 2007-2018. c.9% of GDP is spent on healthcare and spending is growing at 11.5% compound annual growth rate (“CAGR”) between 2000 and 2014; Government spending more than doubled between 2011 and 2017⁽⁸⁾.
- ✓ **Implying long-term, high-growth expansion that is driven by:**
 - Universal Healthcare Program (UHC)
 - Pick-up in polyclinics (outpatient market)
 - Adding new services
 - Developing medical tourism

4

Strong management with proven track record

- ✓ **Strong business management team** – an increased market share by beds from under 1% in 2009 to 24.9% currently, by building the modern infrastructure. Entered the pharmacy and distribution market in 2016, where currently GHG holds c.30% market share.
- ✓ **Robust corporate governance:** exceptional in Georgia’s healthcare sector, as it is the only Premium Listed company in the Georgian healthcare industry (LSE: GHG LN)⁽⁹⁾; 57% of our shares are owned by Georgia Capital PLC (LSE: CGEO LN) – a UK listed holding company of a diversified group of companies following completion of its demerger from BGEO Group PLC on 29 May 2018. The rest of the shares are owned by institutional investors and by our management as part of the Employee Stock Ownership Plan (“ESOP”).
- ✓ **In-depth knowledge of the local market.**

Sources:

- (1) Georgia Healthcare Group established in Georgia and in UK
- (2) National Center for Disease Control (“NCDC”). Data as of December 2017, updated by GHG to include the changes before 31 March 2019
- (3) Market size – Frost & Sullivan analysis
- (4) Insurance State Supervision Service Agency of Georgia (“ISSSG”)

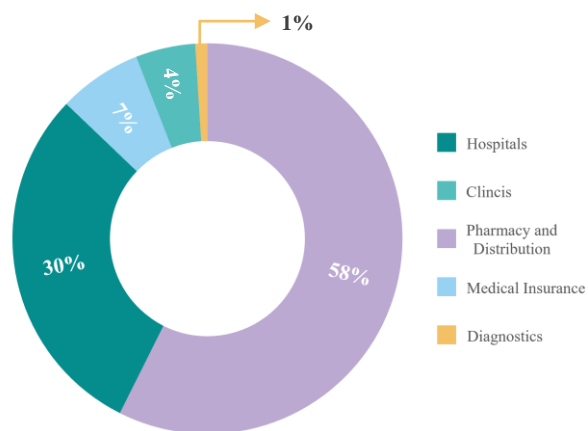
- (5) Frost and Sullivan analysis - data for 2016
- (6) NCDC statistical yearbook 2017
- (7) Ranked #6 in World Bank’s 2018 “Ease of Doing Business Report”, ahead of all its neighboring countries and several EU countries.
- (8) Ministry of Finance, Ministry of Economy
- (9) GHG Group PLC successfully completed its IPO of ordinary shares on the Premium Segment of the LSE on 12 November 2015.



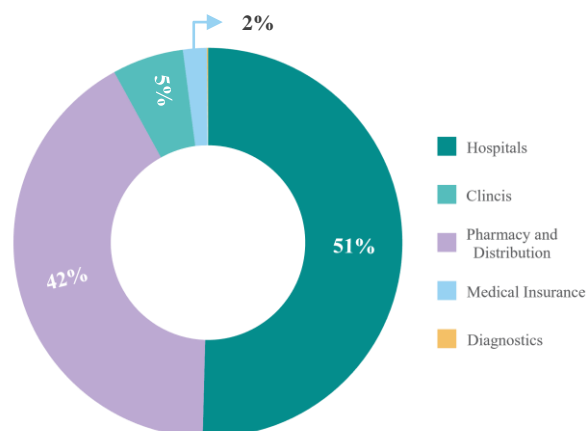
GHG businesses overview

	Hospitals	Clinics		Pharmacy and Distribution	Medical insurance	Diagnostics
Healthcare services	18 Referral Hospitals General and specialty hospitals offering outpatient and inpatient services in Tbilisi and major regional cities	19 Community Clinics Outpatient and basic inpatient services in regional towns and municipalities	16 Polyclinics Outpatient diagnostic and treatment services in Tbilisi and major regional cities	276 Pharmacies Wholesaler and urban-retailer, with a countrywide distribution network	c.229,000 Individuals insured Range of private insurance products purchased by individuals and employers	1 Mega Lab Full range of diagnostics services, including basic and complex laboratory tests
Market share	24.9% by beds (total 3,320 beds)	c. 3% by revenue		30% by revenue	27% by revenue ²	N/A
EBITDA margin⁽¹⁾	EBITDA Margin: 25.6%	EBITDA Margin: 18.7%		EBITDA Margin: 10.7%	EBITDA Margin: 3.2%	EBITDA Margin: 4.2%

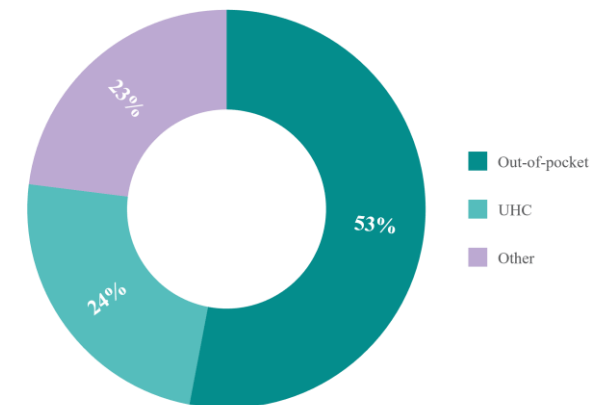
GHG revenue breakdown by segments



GHG EBITDA breakdown by segments



GHG revenue breakdown by payment sources



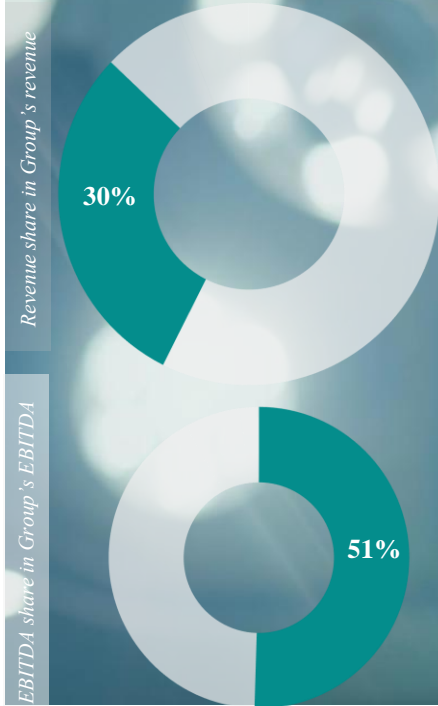
Sources

(1) EBITDA margin excluding IFRS 16 effect

(2) Market share as of 31 December 2018. Our medical insurance market share increased and became more than 30% starting from 2019



18 Hospitals



Referral Hospitals

Referral hospitals are located in Tbilisi and major regional cities and provide secondary or tertiary level outpatient and inpatient diagnostic, surgical and treatment services. Our referral hospitals serve as hubs for patients within a given region.

Highlights

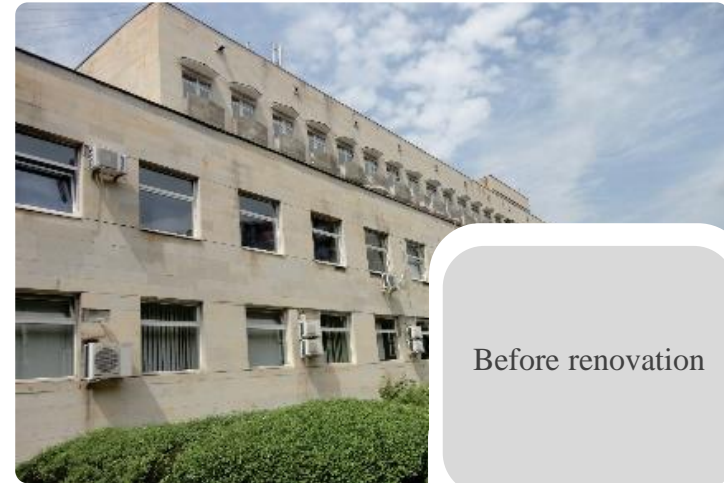
	1Q19	1Q18	Change, y-o-y %
Revenue (GEL, millions)	74.8	64.3	16.3%
EBITDA excluding IFRS 16 (GEL, millions)	19.2	17.1	12.1%
EBITDA margin excluding IFRS 16 (%)	25.6%	26.6%	-1.0 ppts
Number of Hospital beds	2,967	2,967	-
Bed occupancy rate (%)	62.3%	58.9%	3.4 ppts
Average length of stay (days)	5.4	5.5	-2.2%
Average revenue per hospital bed (GEL, thousands)	100.8	86.7	16.3%



Successful ramp-up of 306 bed Regional Hospital

Located in the city centre of capital, Regional Hospital serves as a hospital of choice for local and international patients

- Opened in March 2018
- Gross revenue reached GEL 8.9 million in 1Q19, up 7.7% q-o-q
- Occupancy level reached 35.6% in 1Q19, up 290 bps q-o-q
- Double-digit EBITDA margin since 1Q19



Before renovation

More than 60% of revenue comes from elective care services

More than 41% of revenue is paid out-of-pocket - in line with our initial plan

After renovation



სამედიცინო ცენტრი



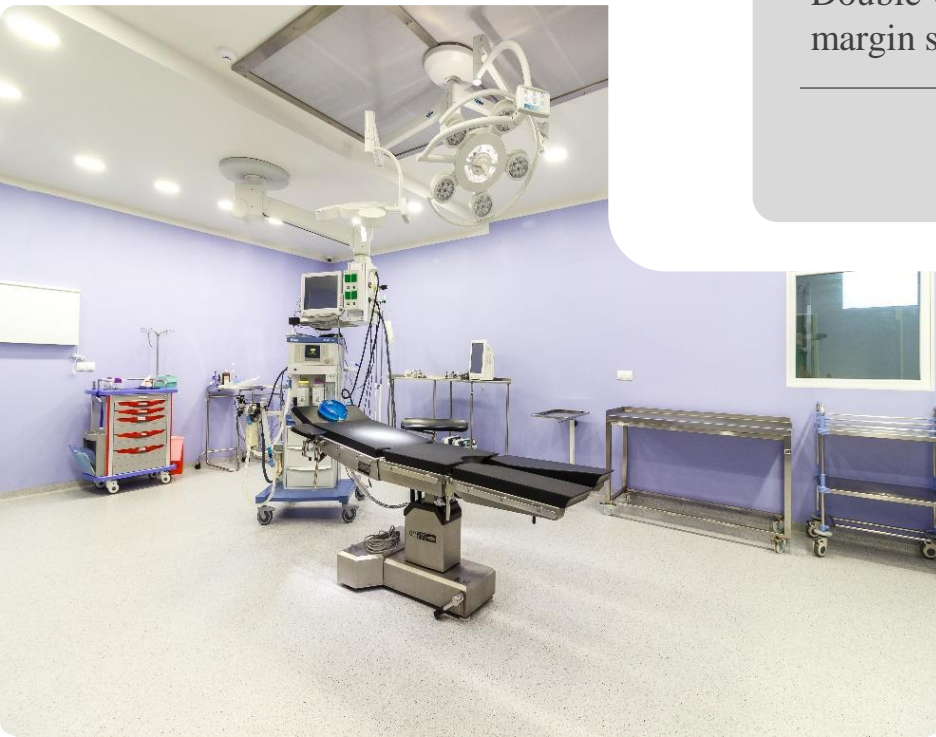
Update on 332 bed Tbilisi Referral Hospital

The hospital serves the eastern Tbilisi population and is the referral center of East Georgia

- Fully opened in December 2017
- Gross Revenue reached GEL 6.4 million in 1Q19, up 8.9% q-o-q
- Occupancy level reached 52.2% in 1Q19, up 570 bps q-o-q



Double-digit EBITDA margin since 1Q19





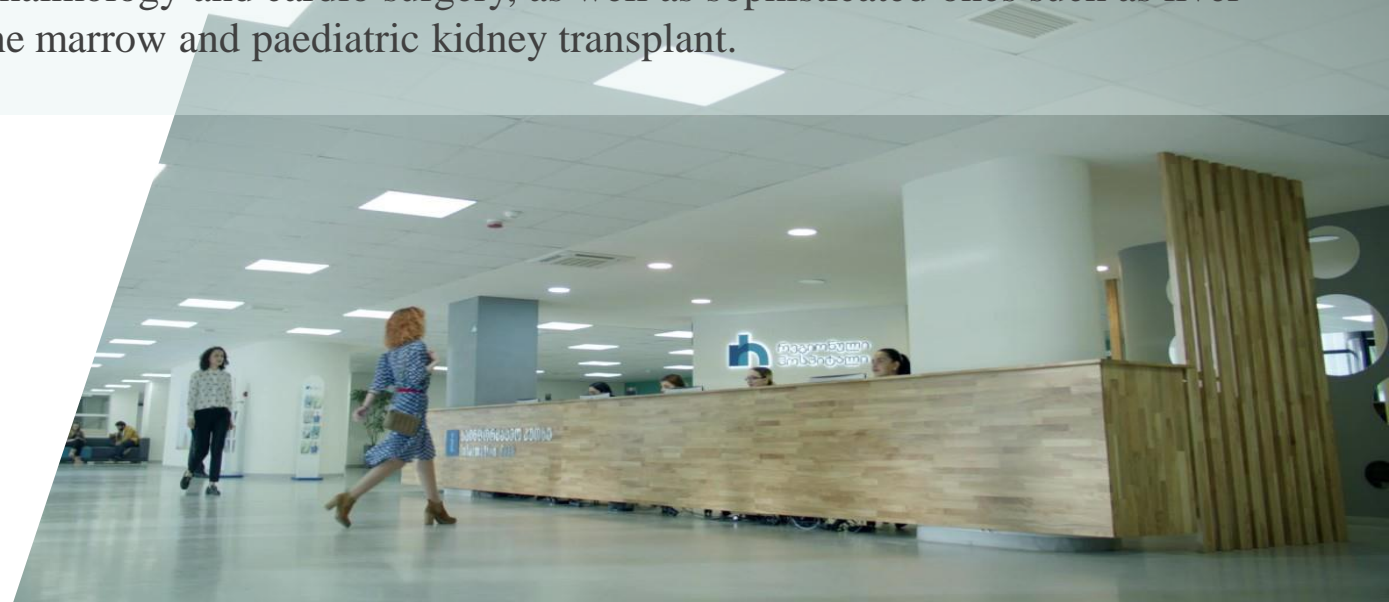
Investing in service development to cover existing service gaps in the country

Retaining Georgian citizens that used to seek treatment overseas

Service export to foreign patients



In last three years we have launched more than 120 new healthcare services in our different hospitals, including some basic services such as ophthalmology and cardio surgery, as well as sophisticated ones such as liver transplant, transplantation of bone marrow and paediatric kidney transplant.





35 Clinics

Revenue share in Group's revenue

4%

EBITDA share in Group's EBITDA

5%

19 Community Clinics

Community clinics are located in regional towns and municipalities and provide outpatient and inpatient diagnostic, basic surgical and treatment services to the local population.

16 Polyclinics

Polyclinics are located in Tbilisi and major regional cities and provide basic and full-scale outpatient diagnostic and treatment services, representing the first point of customer interaction.

Highlights

	1Q19	1Q18	Change, y-o-y %
Revenue of which: (GEL, millions)	11.0	9.3	17.9%
Community	5.4	4.8	12.8%
Polyclinics	5.6	4.5	23.4%
EBITDA excluding IFRS 16 (GEL, millions)	2.1	1.4	51.0%
EBITDA margin of polyclinics excluding IFRS 16 (%)	14.6%	13.5%	1.1 pts
Number of Community clinic beds	353	353	-
Number of registered patients in Tbilisi	c.160,000	c.120,000	



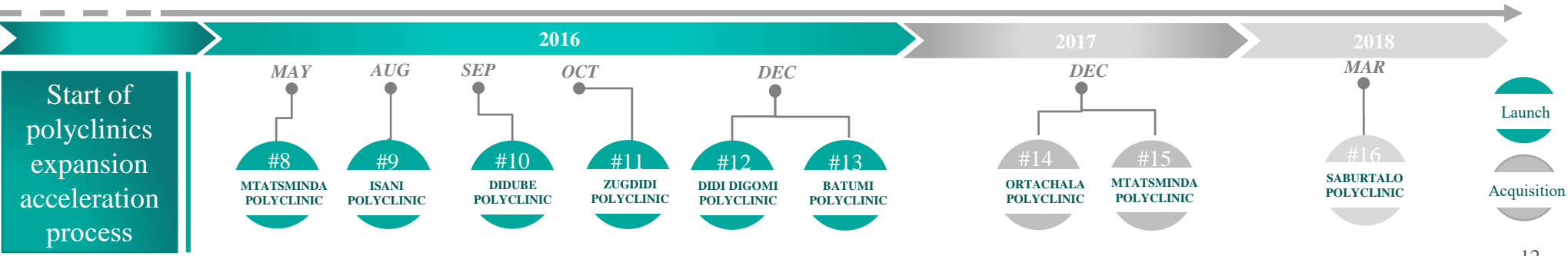
Focused growth strategy in outpatient market

Increase the number of polyclinics and registered patients

In December 2018, we entered the Georgian dental market and we now have dental clinics in eight polyclinics in Tbilisi and other large cities in the regions



To increase the number of registered patients up to c.200,000 in Tbilisi polyclinics



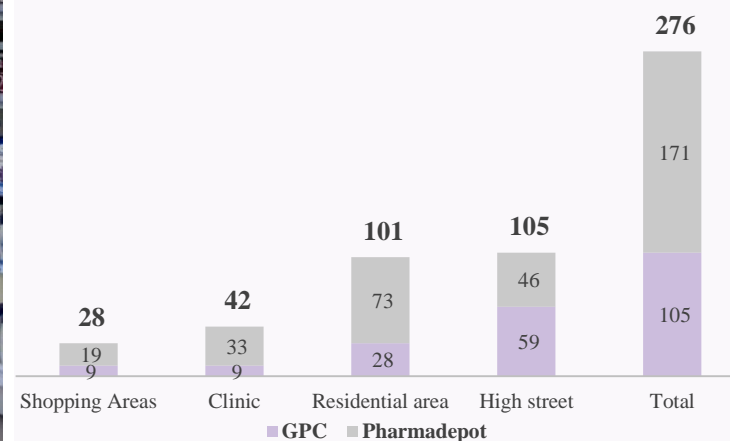


Pharmacy and distribution business overview



+ 276 pharmacies countrywide

GHG pharmacy and distribution business, country's largest retailer in terms of both, revenue and number of bills issued, operates under two pharmacy brands, each with a distinct positioning: GPC for the high-end customer segment and Pharmadepot for the mass retail segment.



Highlights

	1Q19	1Q18	Change, y-o-y %
Revenue (GEL, millions)	145.8	126.9	14.9%
EBITDA excluding IFRS 16 (GEL, millions)	15.6	12.6	23.1%
EBITDA margin excluding IFRS 16 (%)	10.7%	10.0%	0.7 ppts
Number of bills issued (millions)	7.2	6.7	6.9%
Average bill size (GEL)	13.7	13.9	-1.7%
Number of customer interaction per month (millions)	2.4	2.2	7.7%



Top priority in pharmacy and distribution business remains to increase profitability by exercising more supplier synergies and growth of private label products

- Currently 37 private label medicines are presented in our pharmacies.
- GEL 5 million annualised revenue.
- In the first half of 2019, private label personal care products were introduced in our pharmacies under the brand name “Attirance”.
- We offer a wide range of personal care products and significantly enhancing our position as market leader in this segment.



c.229,000 insured clients



Medical insurance

Offering a broad range of comprehensive private medical insurance policies that customers can opt for instead of relying on the coverage provided under the UHC and other state funded healthcare programmes to the Georgian population, with a wide distribution network.

Our products are mainly offered as corporate packages to large employers.

In 1Q19, 39.2% of medical expense claims were retained within the Group.

Highlights

	1Q19	1Q18	Change, y-o-y %
Revenue (GEL, millions)	17.5	13.3	31.5%
Loss ratio (%)	85.3%	84.3%	0.9 ppts
EBITDA excluding IFRS 16 (GEL, millions)	0.6	0.2	175.5%
Combined ratio excluding IFRS 16 (%)	97.9%	100.0%	-2.1 ppts
Renewal rate	74.4%	70.6%	3.8 ppts



Diagnostics



Mega Lab

In December 2018, we added diagnostics business under GHG, an important new business line for the Group, by opening Mega Laboratory.

Mega Lab provides full range of accurate, high-quality diagnostics services, including basic and complex laboratory tests to the entire population of the country.

Basic tests performed at Mega Lab include:

- Biochemistry
- Haematology
- Haemostasis
- Hormone testing
- Cardiac marker
- Tumour marker
- Immunology
- PCR-parasitology

Highlights

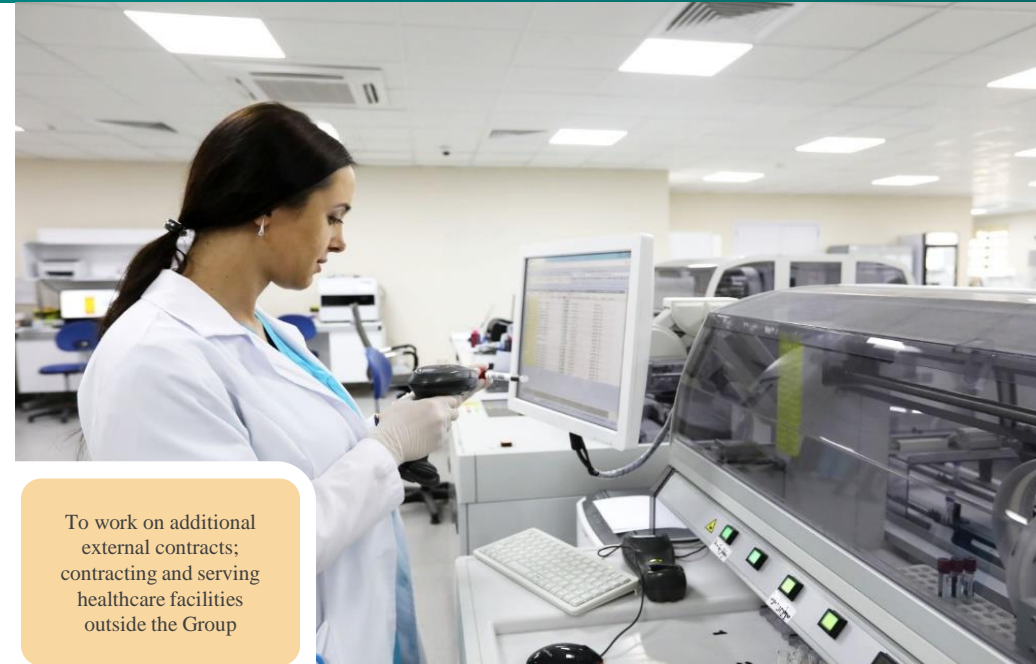
	1Q19
Revenue (GEL millions)	1.2
EBITDA margin excluding IFRS 16 (%)	4.2%
Number of patient served ('000)	67
Number of tests performed ('000)	172
Average number of tests per patient	2.6



Launch of the largest laboratory in the region

Mega Lab

- The multi-disciplinary laboratory is equipped with the most up-to-date infrastructure and state-of-the-art equipment.
- It covers a full set of clinical and pathology tests, some of which are being introduced in the region for the first time.
- High-capacity automated systems enables GHG to provide accurate, high quality results for the country's whole population.



To work on additional external contracts; contracting and serving healthcare facilities outside the Group



c.50

Intend to develop retail blood collection points in coming year



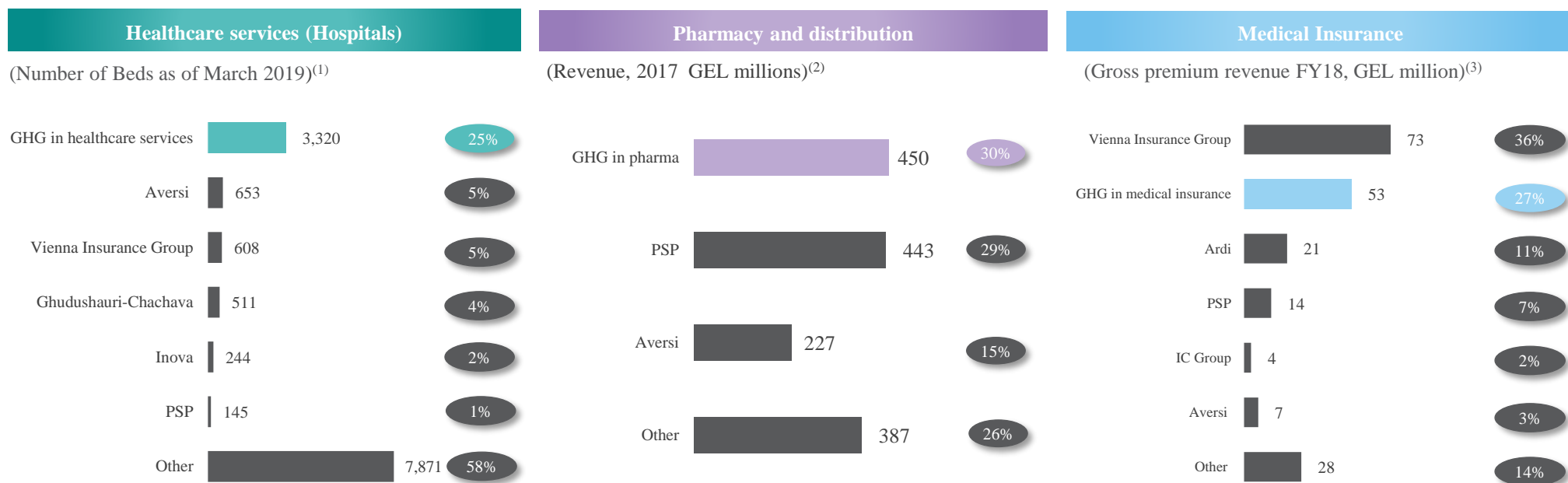
Laboratory tests introduced in the region for the first time, performed with the latest technologies, include:

Electrophoresis
Flow cytometry
PCR-genetic
PCR-microbiology



GHG segments are clear market leaders in a fragmented competitive landscape

Leader in Georgia with clear and established #1 market positions in healthcare services, pharma and medical insurance markets

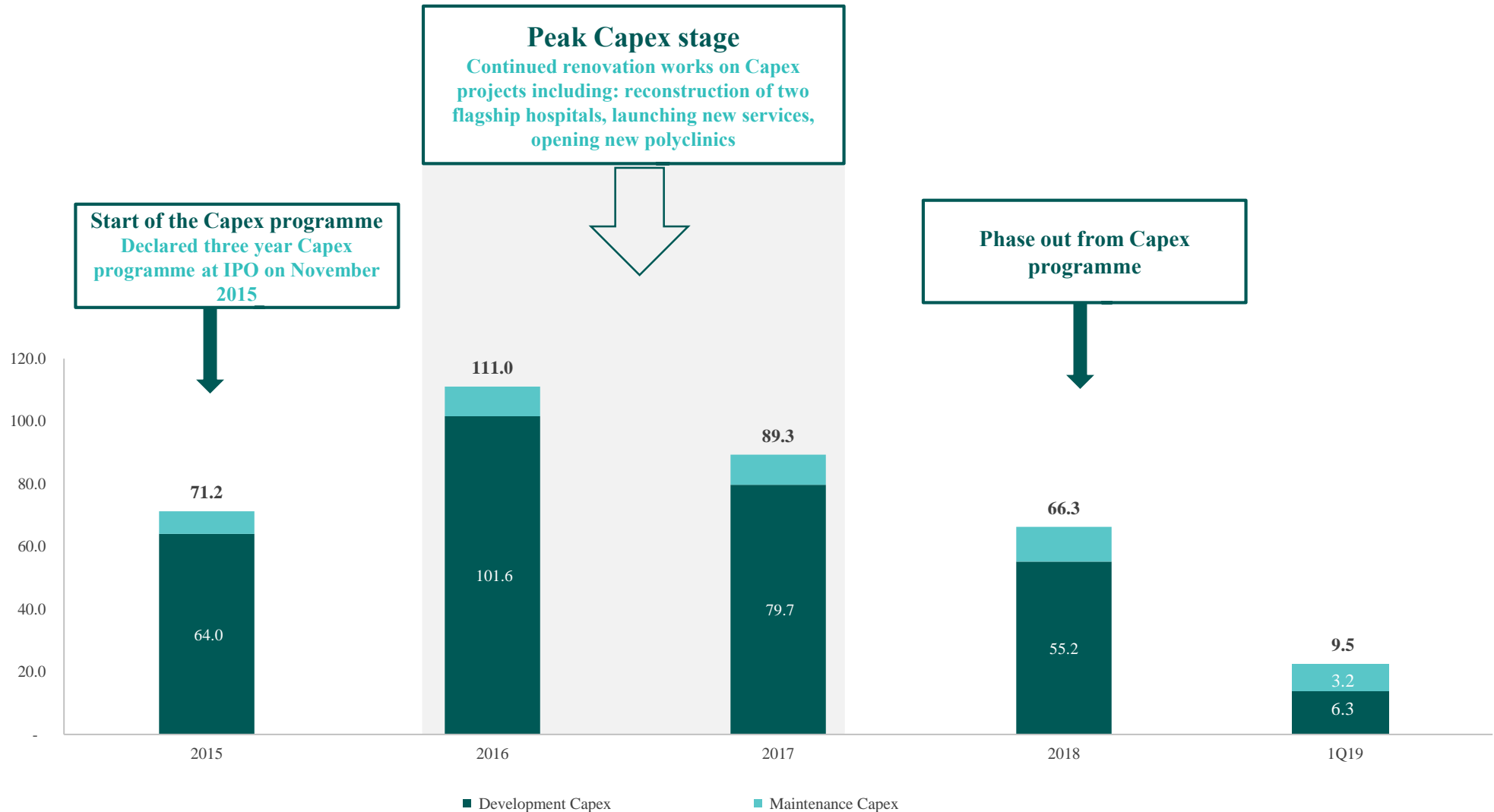


● Market share

Sources:
 (1) NCDC, data as of December 2017, updated by GHG to include changes before 31 March 2019; excluding speciality beds
 (2) Total market Frost & Sullivan analysis 2017. Revenue distribution between competitors represents managements estimates.
 (3) ISSSG as of 31 December 2018



From a capital expenditure perspective, we have now completed the vast majority of our major development projects





 GHG | Overview

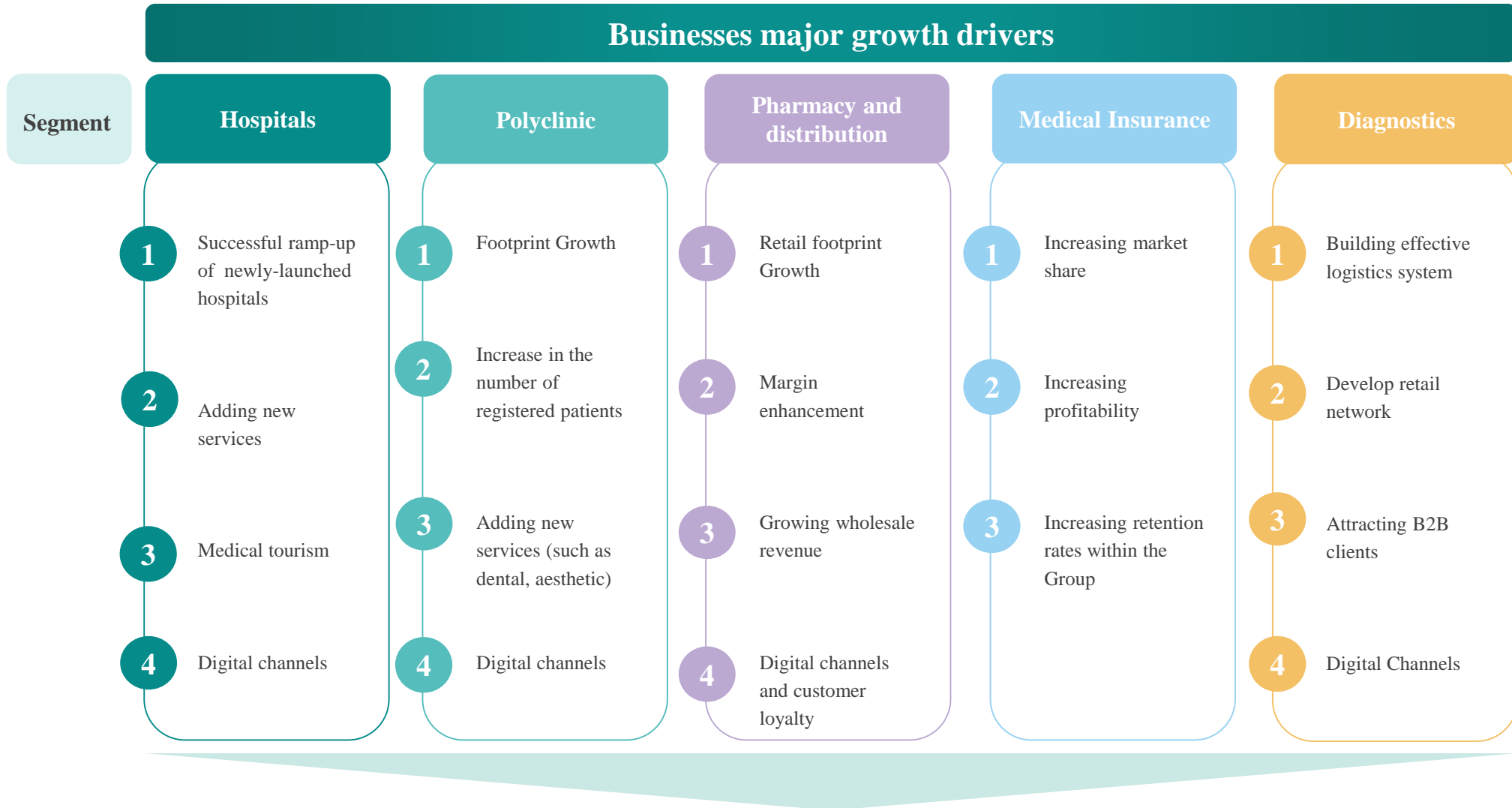
 **GHG | Strategy**

 Macroeconomic and industry overview

 Annexes



Manage customers on integrated level



- GHG serves around three million unique customers along its business lines annually, while the share of the customers using more than one segment of our business, pharmacies and healthcare facilities, accounts for only c.10% , therefore our long-term growth strategy is to capitalise on the main advantage of our business model – ability to manage customers on an integrated level.



GHG strategic targets

Segments	Hospitals	Polyclinic	Pharmacy and distribution	Medical Insurance
Market share targets by addressable markets	BY REVENUE BEDs	BY REVENUE	BY REVENUE	BY REVENUE
Now	c.25% 25%	c.3%	30%	27%
Long-term	c.30%+	c.15%+	30%+	27%+
P&L targets in medium to long-term	Gradually improving to c.30% EBITDA margin		9%+ EBITDA margin	Combined ratio <97%
Group ROIC target	c.16%-17%			



Our main challenges

X

**Lack of doctors & Nurses:
quality and new generation**

X

Quality of basic medical care

X

Lack of services

What we achieved

✓

- 5,150 doc's /5,150 nurses retrained
- 85 ToTs developed
- 201 residents in 25 specialties
- 2 Major hospitals constructed

✓

**Quality control framework up and
running**

✓

**More than 120 new services were
launched over last two years**

Goal

■

**Complete first round of staff
retraining by 2020**

■

**Complete quality management
framework implementation.
Receive JCI accreditation on some
of our major referral hospitals in
coming years**

■

**Continue to launch new services
Capture patient flow export.**



 GHG | Overview

 GHG | Strategy

 **Macroeconomic and industry overview**

 Annexes



Georgia | rapidly developing reform driven economy

- Area: 69,700 km
- Population (2018): 3.7 million people
- Life expectancy: 73.5 years
- Official language: Georgian
- Literacy: 100%
- Capital: Tbilisi (Population of 1.1 million people)
- Currency: Lari (GEL)

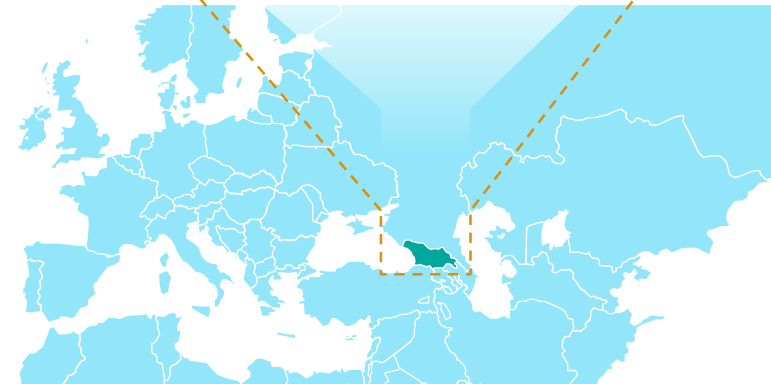


**Ease of Doing Business
Best Improvement since
2005**

- Nominal GDP (preliminary)⁽¹⁾: 2018 GEL 41.1bln (US\$16.2bln)
- Real GDP growth rate 2014-2018: 4.6%, 2.9%, 2.8%, 4.8%, 4.7%
- Real GDP 2007-2018 annual average growth rate: 4.5%
- GDP per capita 2018 (PPP, international dollar) per IMF: 11,485
- Inflation rate (e-o-p) 2018: 1.5%
- External public debt to GDP 2018: 33.5%

• Sovereign ratings:

S&P	BB-/Positive, affirmed / upgraded in April 2019
Moody's	Ba2/ Stable, affirmed / upgraded in March 2019
Fitch	BB-/ Stable, affirmed / upgraded in February 2019

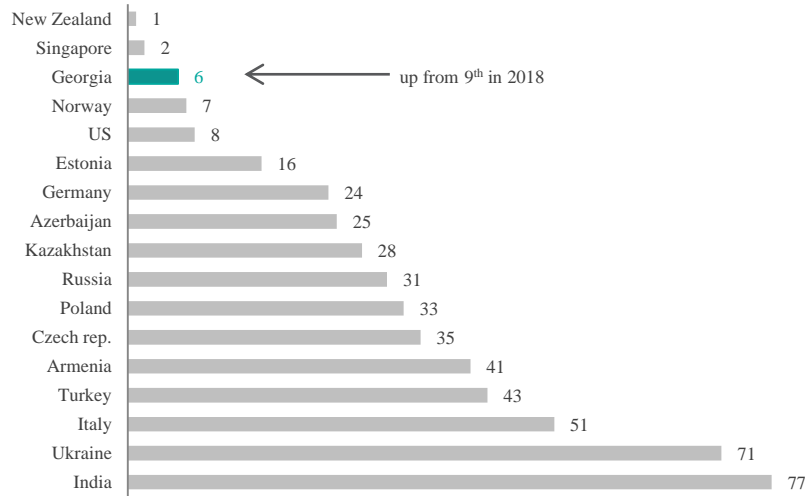


Source:
(1) GeoStat



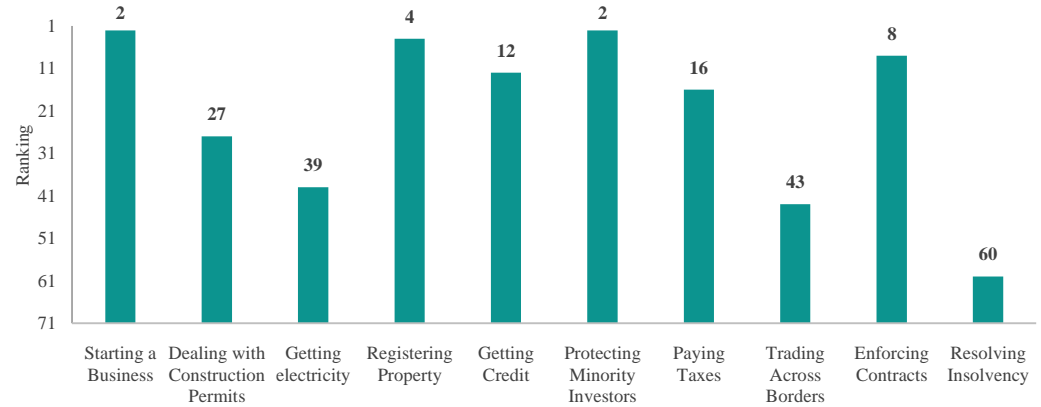
Georgia | top improver on World Bank's Ease of Doing Business Report

Ease of Doing Business | 2019

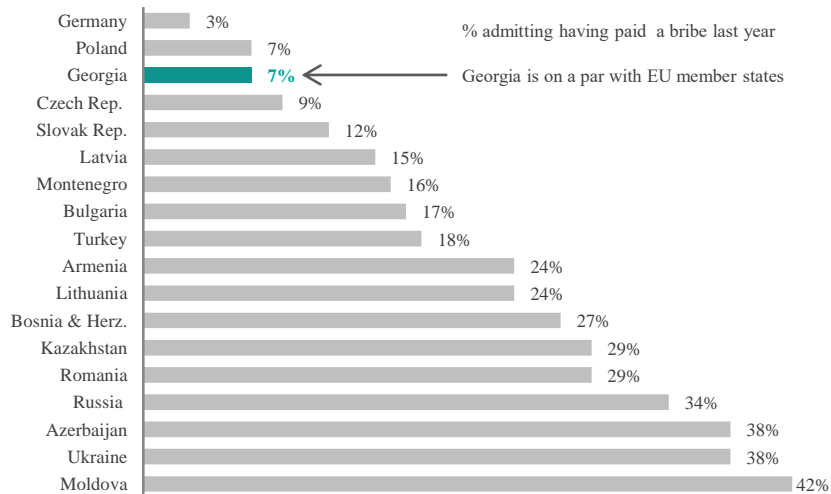


Source: WB Doing Business Report

Rankings on Doing Business Topics – Georgia

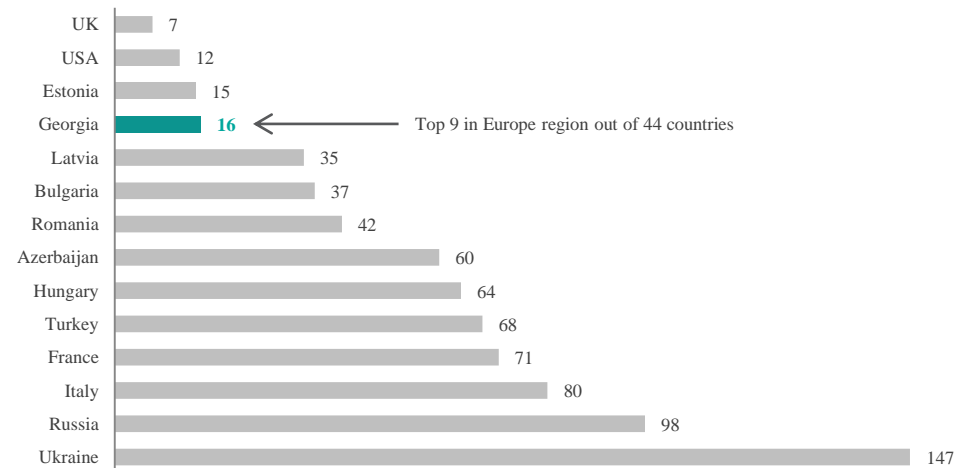


Global Corruption Barometer | TI 2017



Source: Transparency International, Heritage Foundation, World Bank, Trace International.

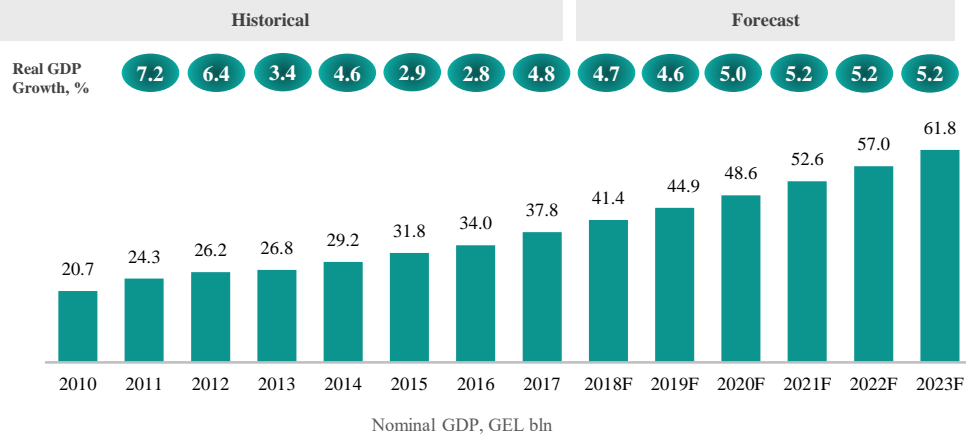
Economic Freedom Index | 2019



Source: Heritage Foundation

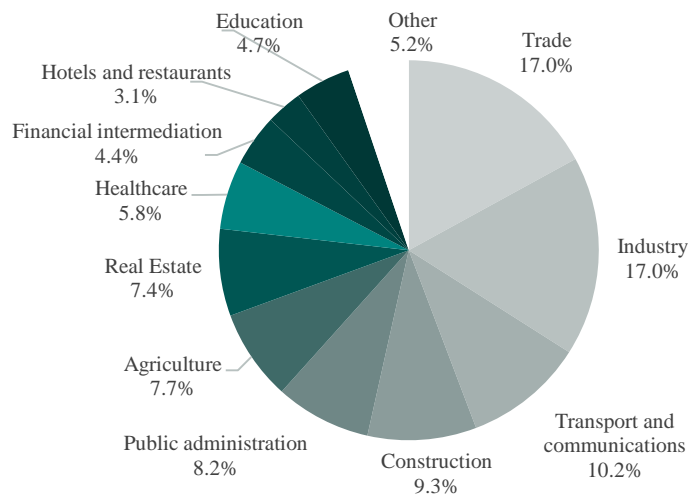


GDP Growth Expected to Continue



Sources: GeoStat, IMF

Diversified nominal GDP structure, 2018



Sources: GeoStat

Clear Strategy to Achieve Long Term Growth

Liberal Reforms and Prudent Policy

- Liberty Act (effective January 2014) ensures a credible fiscal and monetary framework
- Public expenditure/GDP capped at 30%; Fiscal deficit/GDP capped at 3%; Public debt/GDP capped at 60%
- Business friendly environment and low tax regime (attested by favourable international rankings)

Regional Logistics and Tourism Hub

- Access to a market of 2.8bn customers without customs duties: Free trade agreements with EU, China, CIS and Turkey and GSP with USA, Canada, Japan, Norway and Switzerland; FTA with Hong Kong was signed in June 2018. FTA with India under consideration.
- Tourism revenues on the rise: tourism inflows stood at US\$ 3.2bn in 2018 and total arrivals reached 8.7mln visitors in 2018 (up 9.8% y-o-y), out of which tourist arrivals were up 17.0% y-o-y to 4.8mln visitors

Strong FDI

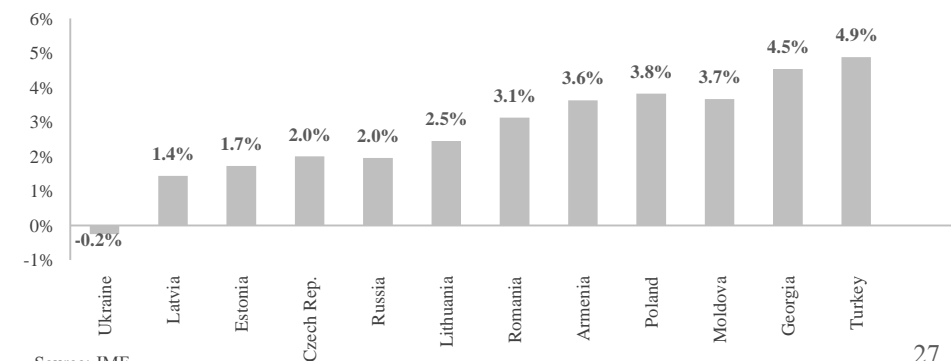
- FDI at US\$1.2 billion (7.6% of GDP) in 2018
- FDI averaged 9.8% of GDP in 2007-2018

Support from International Community

- Visa-free travel to the EU is another major success in Georgian foreign policy. Georgian passport holders were granted free entrance to the EU countries from 28 March 2017
- Discussions commenced with the USA to drive inward investments and exports
- Strong political support from NATO, EU, US, UN and member of WTO since 2000

One of the fastest developing economies in the region.....

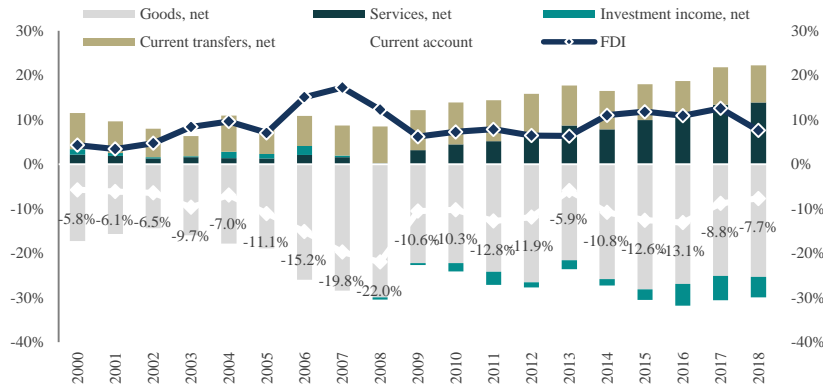
Real GDP growth, % 2007-18 Average



Source: IMF

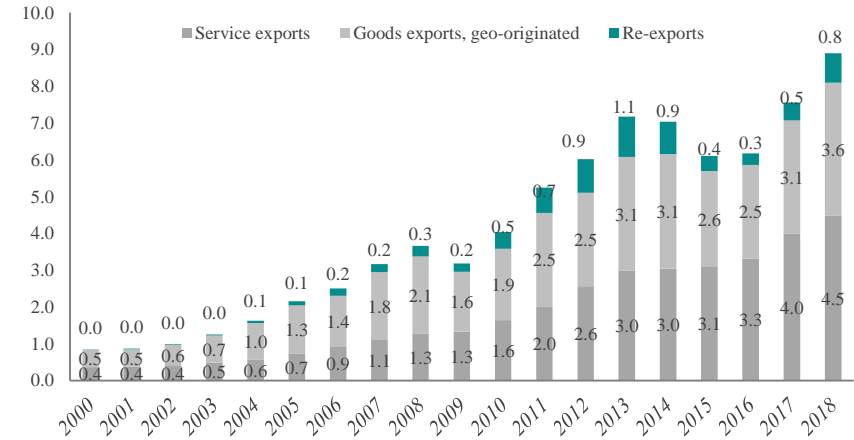


Current account balance (% of nominal GDP)



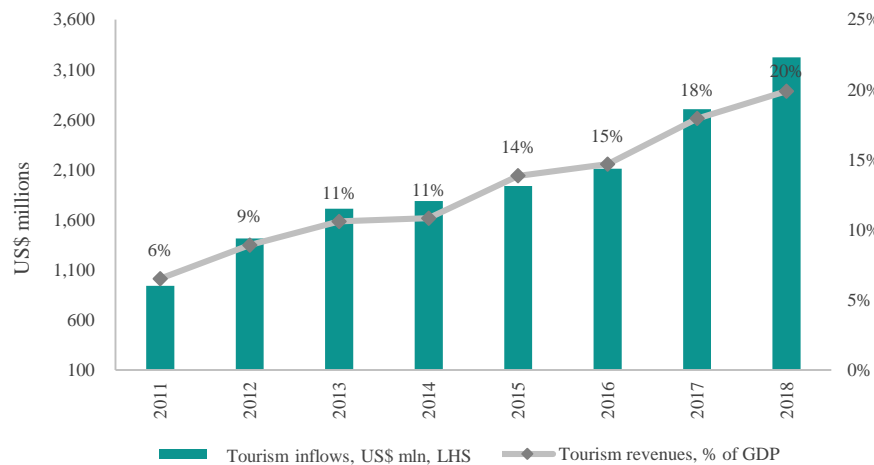
Source: NBG

Exports and Re-exports, US\$ billion



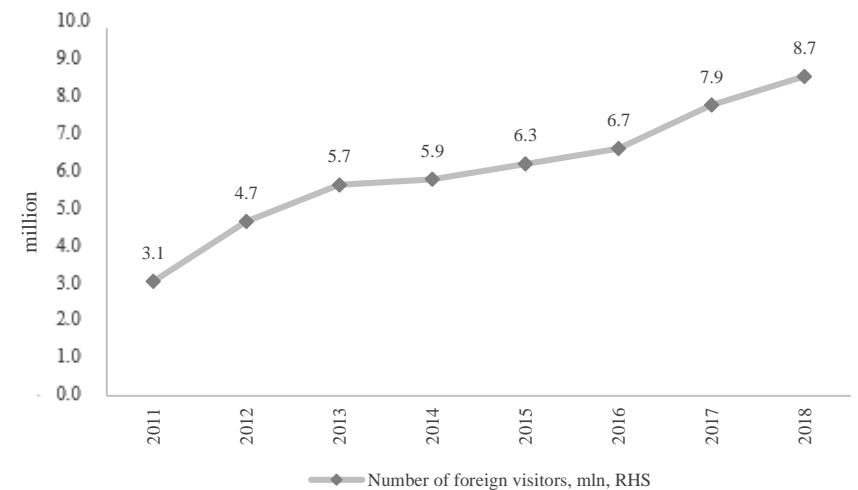
Source: NBG

Tourism revenues to GDP



Source: National Bank of Georgia, GeoStat

Number of visitors on the rise



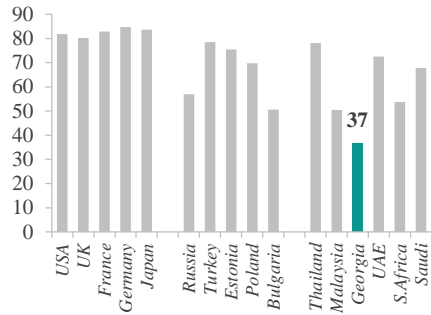
Sources: GNTA, NBG

Long-term, high growth prospects

Favorable government healthcare policy

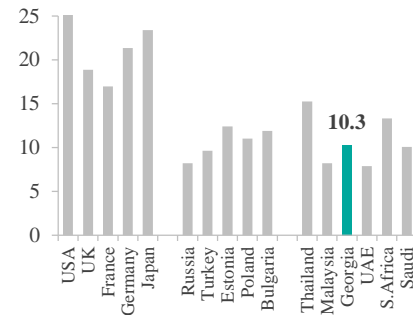
Government finances reached c.40% of total healthcare costs in 2016, from c.20% in 2012

General government expenditure on health as a percentage of total expenditure on health in 2016⁽²⁾



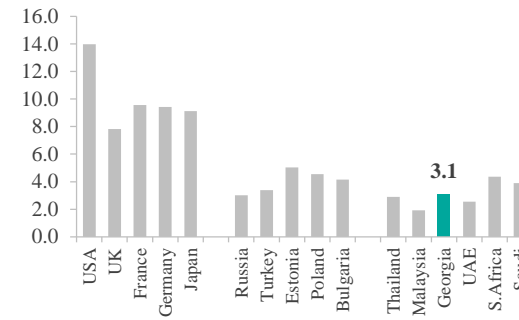
Government spending on healthcare was 6.7% of state budget in 2013, which grew up to 9%-10% in recent years

General government expenditure on health as a percentage of total government expenditure in 2016⁽²⁾



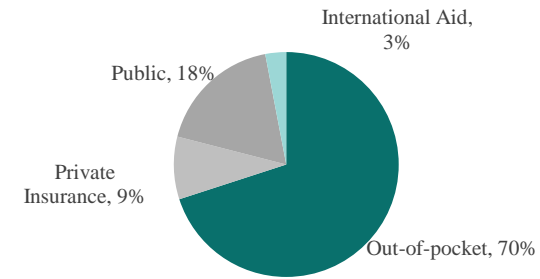
Government expenditure on healthcare as a % of GDP increased from 2% in 2013, up to 3% in 2016 year

Government expenditure on health as % of GDP in 2016⁽²⁾



High private spending and growing public sector participation on the back of UHC implementation⁽⁴⁾

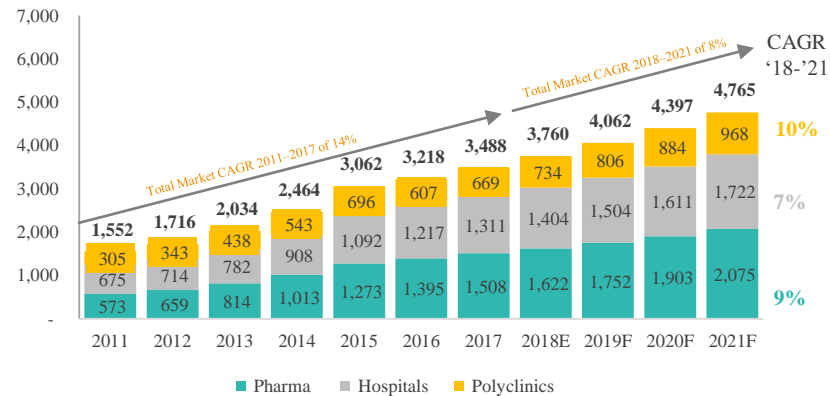
2012



Growth in Healthcare Services Market Expected to Continue¹

Double digit growth on the back of favorable dynamics expected

GELm



Hospitals market includes revenue of c.10% from specialty beds, which is non-addressable market for GHG
Polyclinics market excludes dental and aesthetic services

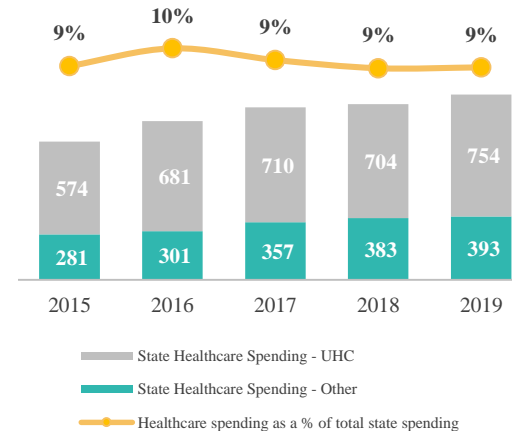
Sources:

- (1) Frost & Sullivan analysis 2017
- (2) World Bank
- (3) Ministry of Finance of Georgia
- (4) Global health expenditure database – World Health Organisation, Frost & Sullivan analysis

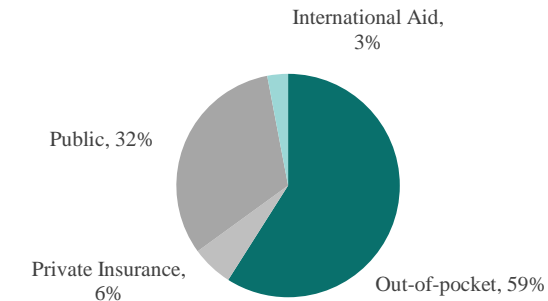
State financing of healthcare increasing for the last several years

State healthcare spending dynamics⁽³⁾

GELm



2014

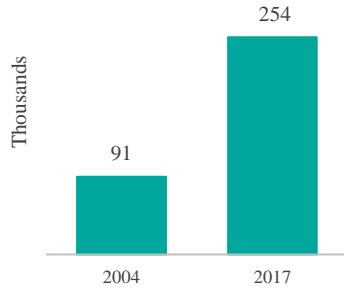


Long-term, high growth prospects

Rapidly growing healthcare market

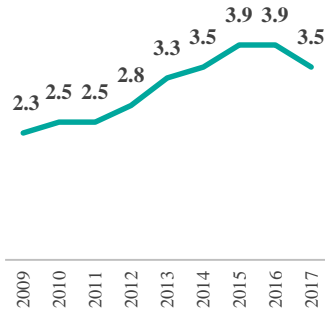
Demand Analysis

Number of Surgical Operations



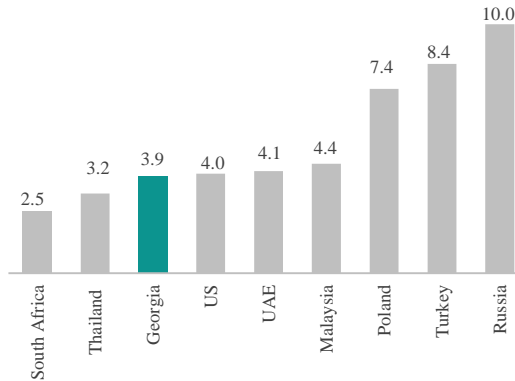
Source: NCDC

Outpatient encounters per capita



Source: NCDC

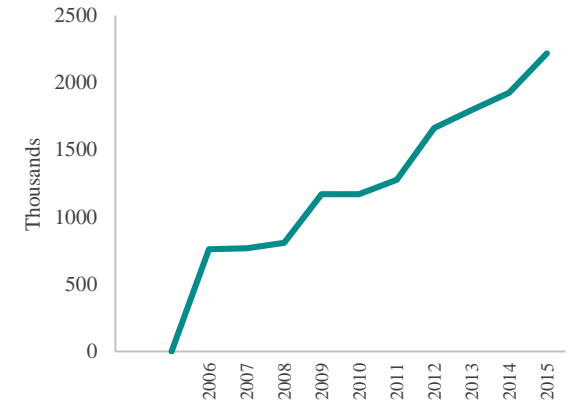
Outpatient encounters per capita, Georgia VS other countries



Source: Frost and Sullivan Analysis 2017

Increasing Overall Disease Incidence...

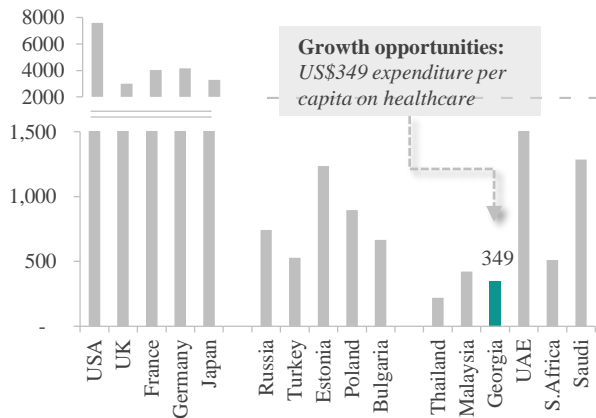
Number of Registered Patients with 1st Time Diagnosis



Source: GeoStat

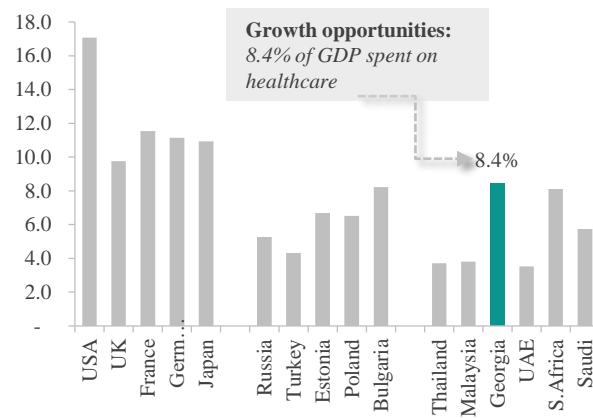
Low Expenditure on Healthcare

Per capita expenditure on healthcare, current US\$



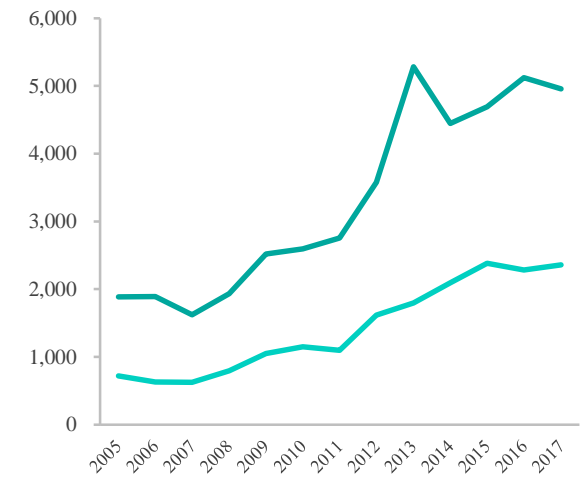
Source: World Bank 2014

Expenditure on healthcare, % of GDP



Source: World Bank 2016

... Including a Growing Incidence of Lifestyle Diseases Per 100,000 Population



Source: NCDC

— Diseases of the Circulatory System
— Endocrine, Nutritional and Metabolic Diseases

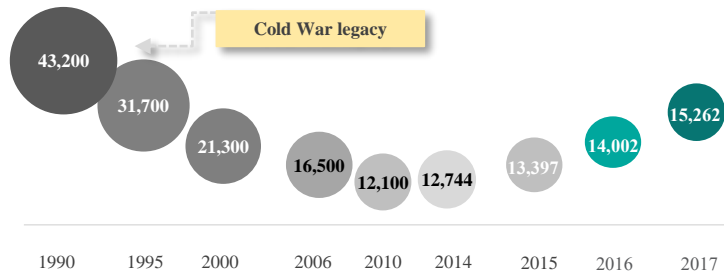


Long-term, high growth prospects

Favorable government healthcare policy – 90% of hospital capacity is private

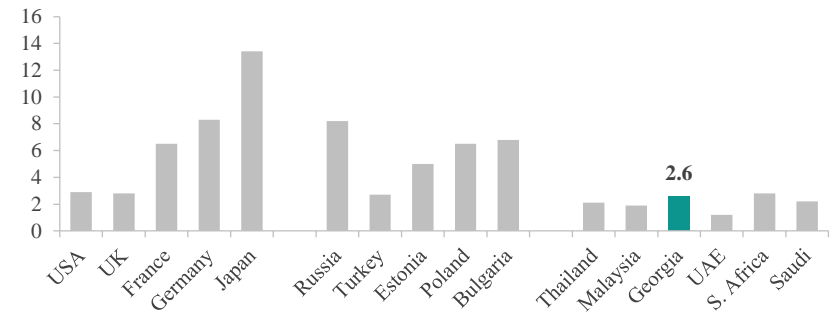
Capacity-wise Georgia stands alongside US, UK and Turkey

Optimising bed capacity over the years (Total number of beds)



Note: (*) Target market bed capacity = Total market bed capacity of 15,262 beds – 1,910 specialty beds at penitentiary, TB and psychiatric clinics

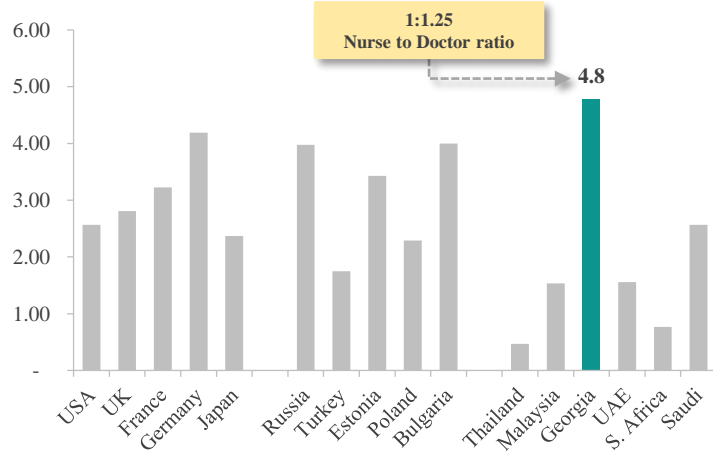
Beds per 1,000 people



Source: World Bank 2013

However, physician overcapacity yet to be addressed

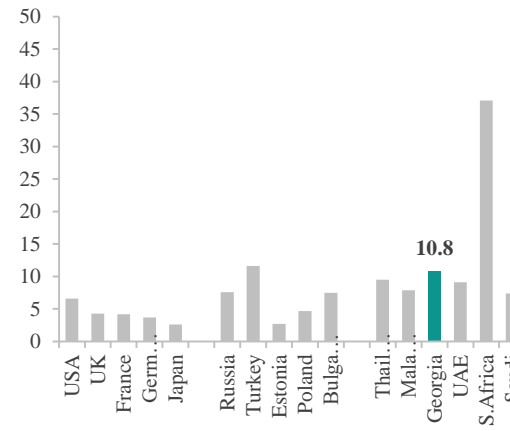
Number of physicians per 1,000 people



Source: World Bank 2015

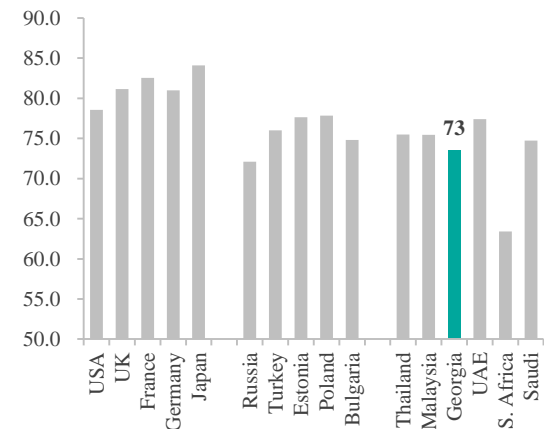
With significant room for optimisation in terms of service quality, as indicated by: Under 5 Mortality Rate... and Life Expectancy At Birth

Under 5 mortality per 1,000 live births



Source: World Bank 2017

Life expectancy at birth, total (years)



Source: World Bank 2017



 GHG | Overview

 GHG | Strategy

 Macroeconomic and industry overview

 Annexes



Developing medical tourism

The increasing number of international arrivals in Georgia represents a natural base for developing medical tourism in the country

What we have done

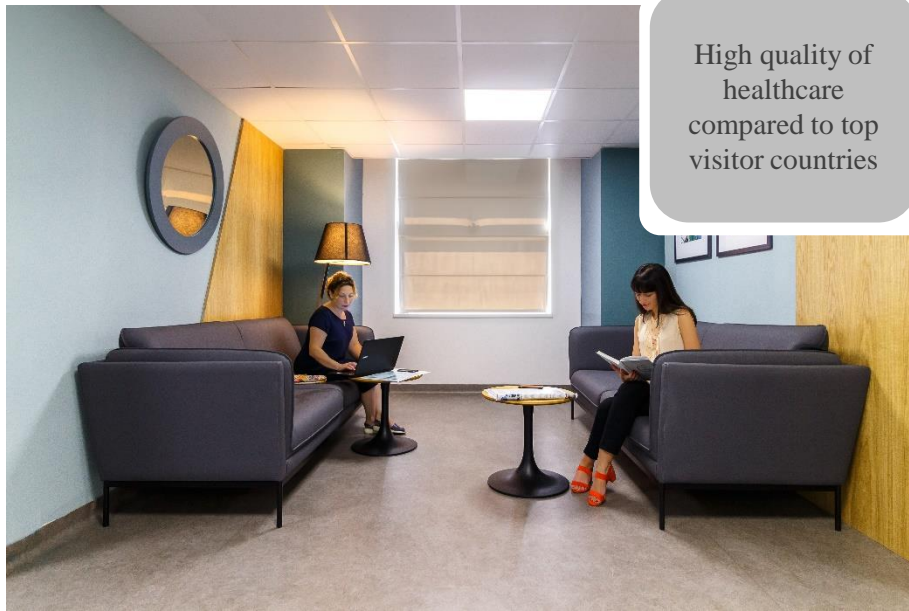
- Upgraded infrastructure
- Upgraded quality in healthcare facilities
- Added new services to close existing service gaps in the country
- Preventing local patients from travelling abroad

What we are doing

- Developing medical tourism strategy
- Developing a service structure for foreign patients
- Increasing awareness within post-Soviet countries through different marketing activities and road shows



In 2018, the number of tourists in Georgia reached 4.8 million, up 16.9% y-o-y



High quality of healthcare compared to top visitor countries

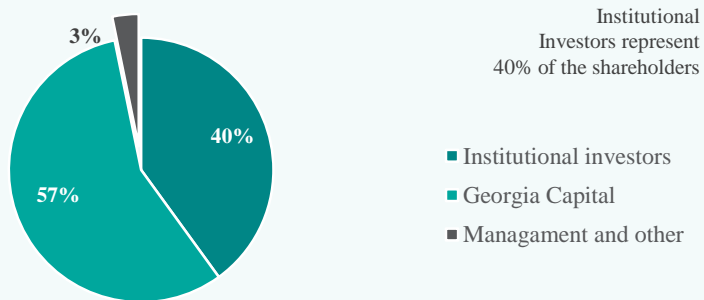
Cost arbitrage compared to medical tourism destination countries



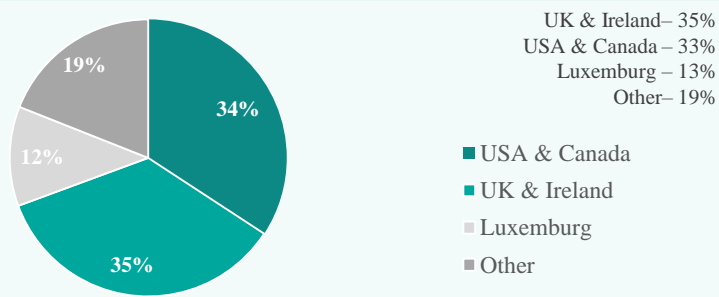


GHG – shareholder structure and share price

Strong support from institutional investors at IPO⁽¹⁾



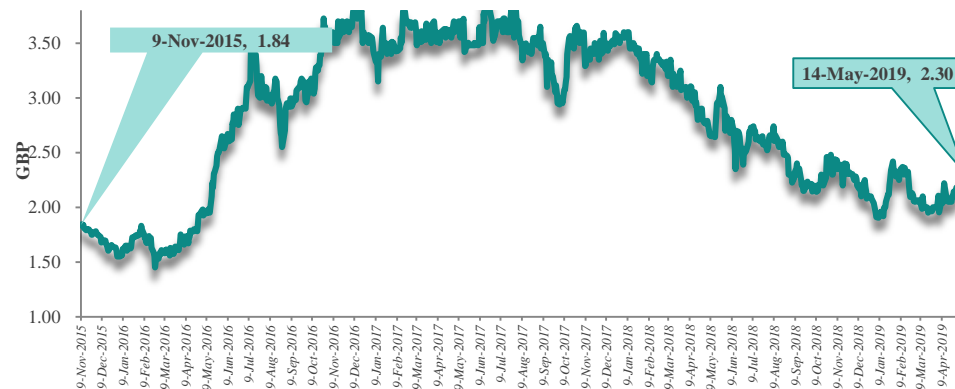
Geographically well-diversified institutional shareholder base⁽¹⁾



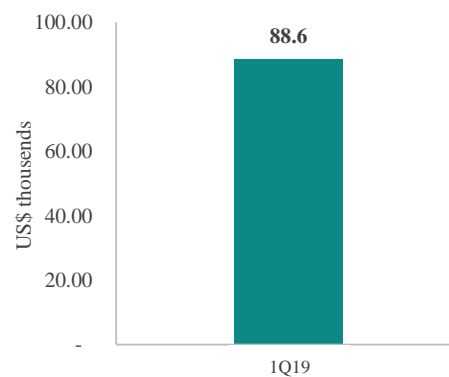
Top Investors ⁽¹⁾

Georgia Capital	56.8%
Wellington Management	6.5%
T – Rowe Price	6.2%

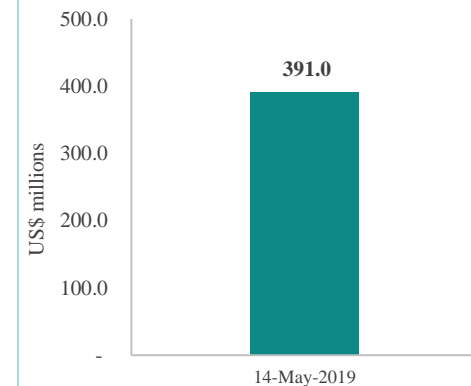
Stock Price Performance⁽²⁾



Average trading daily volume



Market Capitalisation⁽³⁾



Note:

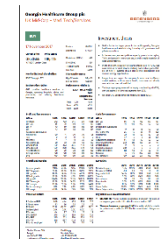
(1) As of 29 March 2019

(2) Share price change calculated from the closing prices of GHG LN, starting from trading date 9 November 2015 to the price of GHG LN as of 14 May 2019

(3) Source: Bloomberg; Market Capitalisation of GHG as of 14 May 2019, GBP/USD exchange rate 1.29



Consensus Target Price is 3.19 GBP



GBP 3.3

*as of 17 Feb 2019

GBP 3.12

*as of 30 Jan 2018

GBP 4.00

*as of 15 Feb 2019

GBP 1.85

*as of 11 Jan 2019

GBP 3.60

*as of 12 Mar 2019

GBP 3.68

*as of 22 May 2018

GBP 2.60

*as of 28 Mar 2018

GBP 3.40

*as of 18 Jan 2019



Robust corporate governance, exceptional in Georgia's healthcare sector

Board of Directors – majority independent members

The Board is composed entirely of Non-Executive, independent directors (except for the chairman and CEO) and meets quarterly to define the strategy and how to move forward for which management is responsible to execute.



❖ **William Huyett** | Independent Non-executive Chairman | Experience: Currently Chief Operating Officer of Ironwood Pharmaceuticals. Prior to that Director Emeritus of McKinsey and Company, Inc. Currently also Georgia Capital board member.



❖ **David Morrison** | Senior Independent Non-executive Director | Experience: senior partner at Sullivan & Cromwell LLP prior to retirement; currently also Georgia Capital board member.



❖ **Irakli Gilauri** | Non-Executive Director | Experience: currently Chairman and CEO of Georgia Capital PLC; formerly CEO of BGEO Group PLC; MS in banking from Cass Business School, London; BBS from University of Limerick, Ireland.



❖ **Ingeborg Oie** | Independent Non-executive Formerly senior research analyst covering medical technology and healthcare Services sector at Jefferies; analyst in the medtech research team at Goldman Sachs.



❖ **Jacques Richier** | Independent Non-executive Director | Experience: Currently Chairman and CEO of Allianz France and Chairman of Allianz Worldwide Partners; Formerly CEO and Chairman at Swiss Life France.



❖ **Tim Elsgood** | Independent Non-executive Director | Experience: Currently Consultant Advisor to Abraaj in Tunisia and Morocco. Extensive international healthcare management experience including time in Greece, Romania, Ukraine and Russia. Former Senior VP for Business Development at Capio AB, VP for Medsi Group and CEO of Isida Hospital.



❖ **Mike Anderson** | Independent Non-executive Director | Experience: Formerly a Medical Director at Chelsea and Westminster hospital, currently medical director for North West London Reconfiguration Programme and physician at Chelsea and Westminster Hospital.



❖ **Fabian Blank** | Independent Non-Executive Director | Experience: Independent investor and senior advisor in healthcare and digital health. Former Co-owner and CEO of a mid-sized rehab clinic group focused on post acute treatment in orthopedics and cardiology. Previously Partner at McKinsey & Company, Inc., focused on growth topics in tech and healthcare.



❖ **Nikoloz Gamkrelidze** | Director, CEO at GHG | Experience: previously BGEO Group CFO, CEO of Aldagi BCI and JSC My Family Clinic; World Bank Health Development Project; Masters degree in International Health Management from Imperial College London, Tanaka Business School.

Committees

- ❖ **Audit committee** – recommending the financial statements to our Board, and matters such as the risk of fraud, external auditors, annual external audit, financial and non-financial risk
- ❖ **Nomination committee** – review the structure, size and composition (including the skills, knowledge, experience and diversity) of our Board. To oversee appointments to and the succession of the Board.
- ❖ **Remuneration committee** – determine and make recommendations to our Board regarding the framework or broad policy for the remuneration
- ❖ **Clinical quality and safety committee** – monitoring our non-financial risks, including clinical performance, health and safety and facilities



Management



❖ **Nikoloz Gamkrelidze** | Director, CEO at GHG; formerly Deputy CEO (Finance) of BGEO Group PLC and CEO of Insurance Company Aldagi



❖ **Irakli Gogia** | Deputy CEO, Finance and Operations; formerly Deputy CEO at JSC Insurance Company Aldagi, CFO at Liberty Consumer, 4 years of experience at Ernst & Young and Deloitte & Touche



❖ **David Vakhtangishvili** | Deputy CEO, Chief Risk Officer; formerly CFO of JSC Bank of Georgia, 9 years experience at Andersen and Ernst & Young



❖ **Giorgi Mindiashvili** | Chief Operating Officer, Hospitals; prior to this role, Deputy CEO, Commercial; formerly CFO of JSC Insurance Company Aldagi, formerly Supervisory Board member of JSC My Family Clinic



❖ **Giorgi Gordadze** | Chief Operating Officer, Clinics; prior to this role, Head of Polyclinics Business (outpatient clinics); (effective May 2017), formerly Commercial Director at GPC, 20 years experience in pharmaceuticals business



❖ **Givi Giorgadze** | Chief Operating Officer, Medical Insurance; Since seven years experience in banking sector, formerly Director of Corporate Sales at Insurance Company BCI



❖ **Gregory ("Gia") Khurtsidze** | Deputy CEO, Clinical; two years experience as Clinical Director of the National Center of Internal Medicine at New Hospital in Tbilisi, worked as a physician and held administrative roles at various leading healthcare institutions in the USA



❖ **Enrico Beridze** | Head of Business Development and Strategic Marketing (effective January 2019); prior to this role, CEO GEPHA; 15 years experience in pharmaceuticals field, formerly CEO of ABC Pharmacia



❖ **Mikheil Abramidze** | Chief Operating Officer, Pharmacy and Distribution; (effective January 2019). 15 years experience in pharmaceuticals field, formerly COO of ABC Pharmacia



❖ **Mikheil Dolidze** | Chief Operating Officer, Diagnostics (effective December 2018); formerly Deputy Minister of Health, Labour and Social Affairs of Georgia from 2010 to 2012. 18 years of experience in the healthcare management and held various managerial positions



❖ **Nino Kortua** | Chief Legal Officer; 14 years experience in insurance field as a lawyer, formerly head of Aldagi Legal Department



❖ **Medea Chkhaidze** | Chief HR Officer; 10 years experience in human resource management, formerly Head of Personnel Management Division at Aldagi Insurance Company



❖ **Nino Chichua** | Chief Quality Officer; 13 years experience in Marketing, formerly CEO at Public Service Hall (LEPL)



❖ **Manana Khurtsilava** | Chief of Internal Audit; 8 years experience in internal control/internal audit. Formerly head of the internal audit department of Insurance Company Aldagi.



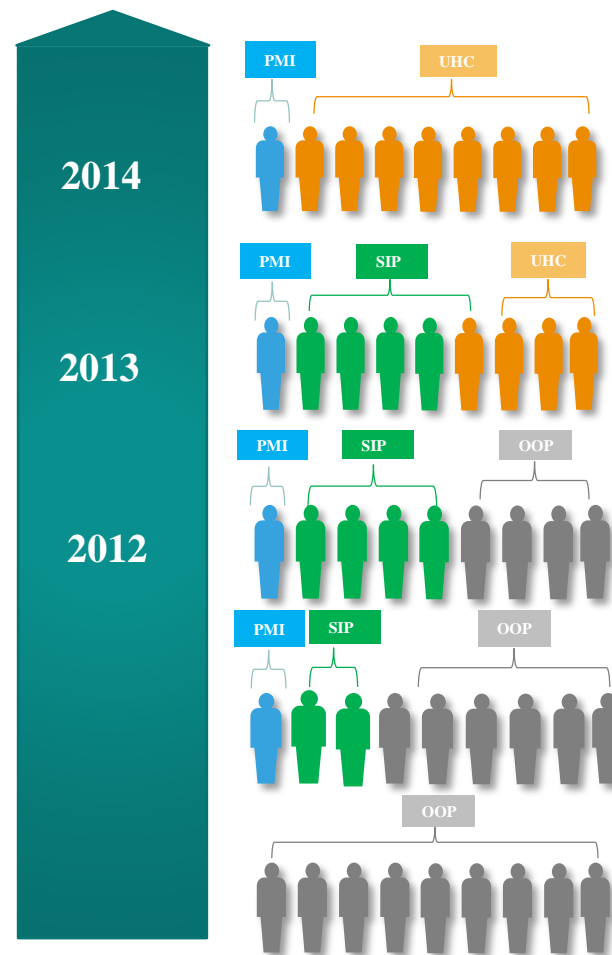
Long-term, high growth prospects

Favorable government healthcare policy

Key Principles of UHC Programme

<p>Overview</p>	<ul style="list-style-type: none"> UHC was introduced in February, 2013 and replaced most of the previously existing state-funded medical insurance plans The main goal is to provide basic healthcare coverage to the entire population
<p>Financing and top-up mechanism</p>	<ul style="list-style-type: none"> UHC is fully financed by the government UHC doesn't reimburse 100% of costs in most cases, leaving substantial room for out-of-pocket payments by patients
<p>Beneficiaries and providers</p>	<ul style="list-style-type: none"> UHC beneficiaries may select any healthcare provider enrolled in the programme Actual prices charged to patients by healthcare providers are not regulated by the state Any provider, whether private or public, is eligible to participate in the programme

Healthcare coverage of Georgia's 3.7m population:



- OOP – out-of-pocket
- UHC – Universal Healthcare Program
- PMI – Private Medical Insurance
- SIP – State Insurance Program
- PMI, UHC, SIP include co-payments

GHG – Income statement, 1Q19 (1/2)

Income Statement, Quarterly

GEL thousands, unless otherwise noted	Hospitals					Clinics					Pharmacy and distribution				
	1Q19	1Q18	Change, Y-o-Y	4Q18	Change, Q-o-Q	1Q19	1Q18	Change, Y-o-Y	4Q18	Change, Q-o-Q	1Q19	1Q18	Change, Y-o-Y	4Q18	Change, Q-o-Q
Revenue, gross	74,774	64,290	16.3%	72,046	3.8%	11,107	9,434	17.7%	10,026	10.8%	145,779	126,868	14.9%	141,046	3.4%
Corrections & rebates	(462)	(595)	-22.4%	(1,035)	-55.4%	(97)	(98)	-1.0%	(123)	-21.1%	-	-	-	-	-
Revenue, net	74,312	63,695	16.7%	71,011	4.6%	11,010	9,336	17.9%	9,903	11.2%	145,779	126,868	14.9%	141,046	3.4%
Costs of services	(43,021)	(36,482)	17.9%	(41,718)	3.1%	(6,244)	(5,423)	15.1%	(5,522)	13.1%	(107,481)	(95,550)	12.5%	(103,786)	3.6%
Cost of salaries and other employee benefits	(25,241)	(21,952)	15.0%	(25,248)	0.0%	(3,843)	(3,448)	11.5%	(3,682)	4.4%	-	-	-	-	-
Cost of materials and supplies	(13,019)	(10,652)	22.2%	(12,205)	6.7%	(677)	(601)	12.6%	(533)	27.0%	-	-	-	-	-
Cost of medical service providers	(1,012)	(837)	20.9%	(1,023)	-1.1%	(1,064)	(795)	33.8%	(932)	14.2%	-	-	-	-	-
Cost of utilities and other	(3,749)	(3,041)	23.3%	(3,242)	15.6%	(660)	(579)	14.0%	(375)	76.0%	-	-	-	-	-
Net insurance claims incurred	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agents, brokers and employee commissions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cost of pharma – wholesale	-	-	-	-	-	-	-	-	-	-	(34,117)	(26,097)	30.7%	(30,382)	12.3%
Cost of pharma - retail	-	-	-	-	-	-	-	-	-	-	(73,364)	(69,453)	5.6%	(73,404)	-0.1%
Gross profit	31,291	27,213	15.0%	29,293	6.8%	4,766	3,913	21.8%	4,381	8.8%	38,298	31,318	22.3%	37,260	2.8%
Salaries and other employee benefits	(7,952)	(6,831)	16.4%	(7,148)	11.2%	(1,756)	(1,643)	6.9%	(1,706)	2.9%	(12,664)	(11,194)	13.1%	(12,198)	3.8%
General and administrative expenses	(3,427)	(3,328)	3.0%	(3,557)	-3.7%	(1,082)	(902)	20.0%	(981)	10.3%	(9,909)	(8,250)	20.1%	(9,765)	1.5%
Impairment of receivables	(1,137)	(1,186)	-4.1%	(956)	18.9%	(75)	(16)	NMF	(79)	-5.1%	(58)	(20)	190.0%	27	NMF
Other operating income	387	1,232	-68.6%	1,412	-72.6%	223	23	869.6%	304	-26.6%	(106)	790	NMF	(88)	20.5%
EBITDA excluding IFRS 16	19,162	17,100	12.1%	19,044	0.6%	2,076	1,375	51.0%	1,919	8.2%	15,561	12,644	23.1%	15,236	2.1%
EBITDA margin excluding IFRS 16	25.6%	26.6%		26.4%		18.7%	14.6%		19.1%		10.7%	10.0%		10.8%	
IFRS 16 impact on EBITDA	179	-	NMF	-	NMF	454	-	NMF	-	NMF	4,402	-	NMF	-	NMF
EBITDA as per financial statements	19,341	17,100	13.1%	19,044	1.6%	2,530	1,375	84.0%	1,919	31.8%	19,963	12,644	57.9%	15,236	31.0%
<i>Depreciation and amortization excluding IFRS 16</i>	<i>(6,516)</i>	<i>(5,571)</i>	<i>17.0%</i>	<i>(6,539)</i>	<i>-0.4%</i>	<i>(1,228)</i>	<i>(1,349)</i>	<i>-9.0%</i>	<i>(1,247)</i>	<i>-1.5%</i>	<i>(688)</i>	<i>(548)</i>	<i>25.5%</i>	<i>(628)</i>	<i>9.6%</i>
Depreciation and amortization	(6,679)	(5,571)	19.9%	(6,539)	2.1%	(1,626)	(1,349)	20.5%	(1,247)	30.4%	(4,538)	(548)	NMF	(628)	NMF
<i>Net interest income (expense) excluding IFRS 16</i>	<i>(6,582)</i>	<i>(4,712)</i>	<i>39.7%</i>	<i>(6,703)</i>	<i>-1.8%</i>	<i>(957)</i>	<i>(980)</i>	<i>-2.3%</i>	<i>(972)</i>	<i>-1.5%</i>	<i>(2,949)</i>	<i>(2,757)</i>	<i>7.0%</i>	<i>(3,373)</i>	<i>-12.6%</i>
Net interest income (expense)	(6,613)	(4,712)	40.3%	(6,703)	-1.3%	(1,086)	(980)	10.8%	(972)	11.7%	(4,052)	(2,757)	47.0%	(3,373)	20.1%
<i>Net gains/(losses) from foreign currencies excluding IFRS 16</i>	<i>(93)</i>	<i>(21)</i>	<i>NMF</i>	<i>(26)</i>	<i>257.7%</i>	<i>(27)</i>	<i>(4)</i>	<i>NMF</i>	<i>(23)</i>	<i>17.4%</i>	<i>206</i>	<i>1,886</i>	<i>-89.1%</i>	<i>(1,565)</i>	<i>NMF</i>
Net gains/(losses) from foreign currencies	(115)	(21)	NMF	(26)	NMF	(61)	(4)	NMF	(23)	165.2%	(27)	1,886	NMF	(1,565)	-98.3%
Net non-recurring income/(expense)	(104)	(871)	-88.1%	(362)	-71.3%	(52)	286	NMF	(96)	-45.8%	6	(411)	NMF	(22)	NMF
Profit before income tax expense	5,830	5,925	-1.6%	5,414	7.7%	(295)	(672)	-56.1%	(419)	-29.6%	11,352	10,814	5.0%	9,648	17.7%
Income tax benefit/(expense)	-	(2)	NMF	37	NMF	-	(2)	NMF	(2)	NMF	-	-	-	-	-
Profit for the period excluding IFRS 16	5,867	5,923	-0.9%	5,451	7.6%	(188)	(674)	-72.1%	(421)	-55.3%	12,136	10,814	12.2%	9,648	25.8%
			-1.6%		7.0%			-56.2%		-29.9%	11,352	10,814	5.0%	9,648	17.7%
Attributable to:															
- shareholders of the Company	4,317	4,504	-4.1%	4,423	-2.4%	(315)	(645)	-51.1%	(459)	-31.3%	6,867	6,734	2.0%	5,445	26.1%
- non-controlling interests	1,513	1,419	6.6%	1,028	47.2%	20	(29)	NMF	38	-46.5%	4,485	4,080	9.9%	4,203	6.7%

GHG – Income statement, 1Q19 (2/2)

Income Statement, Quarterly

GEL thousands, unless otherwise noted	Medical insurance					Diagnostics					Eliminations			GHG				
	1Q19	1Q18	Change, Y-o-Y	4Q18	Change, Q-o-Q	1Q19	1Q18	Change, Y-o-Y	4Q18	Change, Q-o-Q	1Q19	1Q18	4Q18	1Q19	1Q18	Change, Y-o-Y	4Q18	Change, Q-o-Q
Revenue, gross	17,493	13,302	31.5%	13,870	26.1%	1,154	696	NMF	870	32.6%	(15,095)	(6,901)	(10,348)	235,211	207,689	13.3%	227,511	3.4%
Corrections and rebates	-	-	-	-	-	-	-	-	-	-	-	-	-	(559)	(693)	-19.3%	(1,159)	-51.8%
Revenue, net	17,493	13,302	31.5%	13,870	26.1%	1,154	696	NMF	870	32.6%	(15,095)	(6,901)	(10,348)	234,652	206,996	13.4%	226,352	3.7%
Costs of services	(15,683)	(11,894)	31.9%	(11,628)	34.9%	(831)	(514)	61.7%	(780)	6.5%	14,763	6,712	10,458	(158,497)	(143,153)	10.7%	(152,974)	3.6%
Cost of salaries and other employee benefits	-	-	-	-	-	(289)	(240)	20.4%	(256)	12.9%	1,418	938	1,140	(27,955)	(24,702)	13.2%	(28,044)	-0.3%
Cost of materials and supplies	-	-	-	-	-	(393)	(268)	46.6%	(398)	NMF	8,561	2,184	5,318	(5,528)	(9,337)	-40.8%	(7,818)	-29.3%
Cost of medical service providers	-	-	-	-	-	(1)	-	NMF	(1)	0.0%	1,278	900	1,078	(799)	(733)	9.0%	(879)	-9.1%
Cost of utilities and other	-	-	-	-	-	(148)	(6)	24	(125)	18.4%	220	57	134	(4,337)	(3,570)	21.5%	(3,607)	20.2%
Net insurance claims incurred	(14,914)	(11,218)	32.9%	(10,843)	37.5%	-	-	-	-	-	3,286	2,633	2,568	(11,628)	(8,585)	35.4%	(8,275)	40.5%
Agents, brokers and employee commissions	(769)	(676)	13.8%	(785)	-2.0%	-	-	-	-	-	-	-	-	(769)	(676)	13.8%	(785)	-2.0%
Cost of pharma – wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cost of pharma - retail	-	-	-	-	-	-	-	-	-	-	-	220	(34,117)	(26,097)	30.7%	(30,162)	13.1%	
Gross profit	1,810	1,408	28.6%	2,242	-19.3%	323	182	NMF	90	258.9%	(332)	(189)	110	76,154	63,843	19.3%	73,378	3.8%
Salaries and other employee benefits	(917)	(783)	17.1%	(1,213)	-24.4%	(234)	(45)	NMF	(70)	234.3%	129	57	115	(23,395)	(20,439)	14.5%	(22,221)	5.3%
General and administrative expenses	(440)	(350)	25.7%	(435)	1.1%	(84)	(56)	50.0%	(114)	-26.3%	135	248	(149)	(14,808)	(12,637)	17.2%	(15,001)	-1.3%
Impairment of receivables	(103)	(98)	5.1%	(103)	0.0%	(4)	-	NMF	(44)	-90.9%	205	132	142	(1,172)	(1,188)	-1.3%	(1,013)	15.7%
Other operating income	212	27	NMF	158	34.2%	47	(4)	NMF	195	-75.9%	(135)	(247)	(219)	629	1,820	-65.4%	1,762	-64.3%
EBITDA excluding IFRS 16	562	204	175.5%	649	-13.4%	48	77	-37.7%	57	-15.8%	2	-	-	37,409	31,399	19.1%	36,905	1.4%
EBITDA margin excluding IFRS 16	3.2%	1.5%		4.7%		4.2%	11.1%		6.6%				15.9%	15.1%		16.2%		
IFRS 16 impact on EBITDA	85	-	NMF	-	NMF	6	-	NMF	-	NMF	-	-	-	5,126	-	NMF	-	NMF
EBITDA as per financial statements	647	204	217.2%	649	-0.3%	54	77	-29.9%	57	-5.3%	2	-	-	42,535	31,399	35.5%	36,905	15.3%
<i>Depreciation and amortization excluding IFRS 16</i>	<i>(189)</i>	<i>(204)</i>	<i>-7.4%</i>	<i>(184)</i>	<i>2.7%</i>	<i>(59)</i>	<i>(44)</i>	<i>34.1%</i>	<i>(35)</i>	<i>68.6%</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>(8,679)</i>	<i>(7,715)</i>	<i>12.5%</i>	<i>(8,634)</i>	<i>0.5%</i>
Depreciation and amortization	(269)	(204)	31.9%	(184)	46.2%	(65)	(44)	47.7%	(35)	85.7%	-	-	-	(13,177)	(7,715)	70.8%	(8,634)	52.6%
<i>Net interest income (expense) excluding IFRS 16</i>	<i>127</i>	<i>(114)</i>	<i>NMF</i>	<i>105</i>	<i>21.0%</i>	<i>-</i>	<i>-</i>	<i>0.0%</i>	<i>-</i>	<i>0.0%</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>(10,362)</i>	<i>(8,563)</i>	<i>21.0%</i>	<i>(10,943)</i>	<i>-5.3%</i>
Net interest income (expense)	113	(114)	NMF	105	7.6%	-	-	0.0%	-	0.0%	-	-	-	(11,638)	(8,563)	35.9%	(10,943)	6.4%
<i>Net gains/(losses) from foreign currencies excluding IFRS 16</i>	<i>63</i>	<i>38</i>	<i>65.8%</i>	<i>65</i>	<i>-3.1%</i>	<i>(6)</i>	<i>-</i>	<i>NMF</i>	<i>(2)</i>	<i>200.0%</i>	<i>-</i>	<i>-</i>	<i>145</i>	<i>1,899</i>	<i>-92.4%</i>	<i>(1,550)</i>	<i>NMF</i>	
Net gains/(losses) from foreign currencies	59	38	55.3%	65	-9.2%	(6)	-	NMF	(2)	200.0%	-	-	(148)	1,899	NMF	(1,550)	-90.5%	
Net non-recurring income/(expense)	-	-	0.0%	-	0.0%	(5)	(11)	-54.5%	7	NMF	(1)	-	-	(155)	(1,006)	-84.6%	(473)	-67.2%
Profit before income tax expense	550	(76)	NMF	635	-13.4%	(22)	22	NMF	27	NMF	1	-	17,417	16,014	8.8%	15,305	13.8%	
Income tax benefit/(expense)	(85)	-	NMF	(148)	-42.6%	-	-	-	-	-	-	-	(85)	(2)	NMF	(111)	-23.4%	
Profit for the period excluding IFRS 16	478	(76)	NMF	487	-1.8%	(22)	22	NMF	27	NMF	-	-	18,273	16,012	14.1%	15,194	20.3%	
Profit for the period	465	(76)	NMF	487	-4.5%	(22)	22	NMF	27	NMF	1	-	17,332	16,012	8.2%	15,194	14.1%	
Attributable to:																		
- shareholders of the Company	465	(76)	NMF	487	-4.5%	(22)	22	NMF	14	NMF	1	-	11,310	10,542	7.3%	9,925	14.0%	
- non-controlling interests	-	-	-	-	-	-	-	-	13	NMF	-	-	6,022	5,470	10.1%	5,269	14.3%	



Balance sheet

	<u>Hospitals</u>					<u>Clinics</u>					<u>Pharmacy and distribution</u>				
<i>GEL thousands; unless otherwise noted</i>	31-Mar -19	31-Mar -18	Change, Y-o-Y	31-Dec-18	Change, Q-o-Q	31-Mar -19	31-Mar -18	Change, Y-o-Y	31-Dec-18	Change, Q-o-Q	31-Mar -19	31-Mar -18	Change, Y-o-Y	31-Dec-18	Change, Q-o-Q
Assets:															
Cash and bank deposits	7,536	29,196	-74.2%	17,704	-57.4%	616	2,730	-77.4%	576	6.9%	7,268	4,423	64.3%	17,305	-58.0%
Property and equipment, of which	526,836	505,159	4.3%	535,520	-1.6%	112,850	100,540	12.2%	102,116	10.5%	97,317	27,389	255.3%	31,292	211.0%
<i>IFRS 16 impact</i>	1,930	-		-		8,322	-				65,307				
Inventory	17,439	17,794	-2.0%	16,978	2.7%	1,035	1,056	-2.0%	829	24.8%	127,512	90,463	41.0%	127,924	-0.3%
Liabilities:															
Borrowed Funds	246,565	242,720	1.6%	249,417	-1.1%	34,592	34,128	1.4%	34,585	0.0%	91,734	82,475	11.2%	100,423	-8.7%
Accounts payable	31,993	29,974	6.7%	34,651	-7.7%	3,499	3,749	-6.7%	1,986	76.2%	81,055	55,956	44.9%	79,772	1.6%
Finance lease liabilities	1,994	-	NMF	-	NMF	8,615	8,244	4.5%	8,676	-0.7%	66,702	-	NMF	-	NMF

	<u>Medical Insurance</u>					<u>Diagnostics</u>					<u>Eliminations</u>			<u>GHG</u>					
<i>GEL thousands; unless otherwise noted</i>	31-Mar -19	31-Mar -18	Change, Y-o-Y	31-Dec-18	Change, Q-o-Q	31-Mar -19	31-Mar -18	Change, Y-o-Y	31-Dec-18	Change, Q-o-Q	31-Mar -19	31-Mar -18	30-Sep-18	31-Mar -19	31-Mar -18	Change, Y-o-Y	31-Dec-18	Change, Q-o-Q	
Assets																			
Cash and bank deposits	12,124	9,087	33.4%	12,363	-1.9%	52	231	-77.5%	13	NMF	-	-	-	27,596	45,667	-39.6%	47,961	-42.5%	
Property and equipment, of which	16,036	15,081	6.3%	15,214	5.4%	14,415	13,856	4.0%	13,895	3.7%	-	-	-	767,454	662,026	15.9%	698,037	9.9%	
<i>IFRS 16 impact</i>	810					9								76,379					
Inventory	-	-	-	-	-	512	523	-2.1%	433	18.2%	-	-	-	146,499	109,836	33.4%	146,164	0.2%	
Liabilities:																			
Borrowed Funds	5,939	8,598	-30.9%	5,966	-0.5%	-	-	-	-	-	(5,085)	-	-	373,745	367,922	1.6%	390,390	-4.3%	
Accounts payable	-	-	-	-	-	937	1,004	-6.7%	1,222	-23.3%	(13,482)	(4,191)	(12,539)	104,001	86,491	20.2%	105,092	-1.0%	
Finance lease liabilities	823	-	NMF	-	NMF	10	-	NMF	-	NMF	-	-	-	78,145 ¹	8,244	NMF	8,676	NMF	

Sources: GHG Internal Reporting

(1) Out of which GEL 69.5 million accounts for IFRS 16 impact

Selected ratios and KPIs

Selected ratios and KPIs	1Q19	1Q18	4Q18		1Q19	1Q18	4Q18
GHG							
EPS, GEL <i>excluding IFRS 16</i>	0.09	0.08	0.08				
ROIC (%)	12.3%	10.6%	12.0%				
ROIC adjusted ¹ (%)	14.4%	13.5%	14.3%				
Group rent expenditure	5,896	4,724	5,144				
<i>of which, pharmacy and distribution business</i>	5,325	4,055	4,442				
Group capex (maintenance)	3,184	2,295	4,050				
Group capex (growth)	6,321	22,505	11,003				
Number of employees	16,092	15,491	15,922				
Number of physicians	3,635	3,553	3,603				
Number of nurses	3,404	3,305	3,342				
Nurse to doctor ratio, referral hospitals	0.94	0.93	0.93				
Number of pharmacists	2,971	2,948	2,518				
Total number of shares	131,681,820	131,681,820	131,681,820				
Less: Treasury shares	(2,777,744)	(2,800,166)	(2,937,273)				
Shares outstanding	128,904,076	128,881,654	128,744,547				
<i>Of which:</i>							
Total free float	54,154,256	53,763,151	53,994,727				
Shares held by Georgia Capital PLC	74,749,820	75,118,503	74,749,820				
Hospitals							
EBITDA margin <i>excluding IFRS 16</i>	25.6%	26.6%	26.4%				
Direct salary rate (direct salary as % of revenue)	33.8%	34.1%	35.0%				
Materials rate (direct materials as % of revenue)	17.4%	16.6%	16.9%				
Administrative salary rate (administrative salaries as % of revenue)	10.6%	10.6%	9.9%				
SG&A rate (SG&A expenses as % of revenue)	4.6%	5.2%	4.9%				
Number of hospitals							
Number of hospital beds							
Hospitals bed occupancy rate ²	62.3%	58.9%	56.3%				
Hospitals bed occupancy rate, excluding Tbilisi Referral Hospital and Regional Hospital beds ²	67.2%	65.1%	60.7%				
Regional Hospital bed occupancy rate ²	35.6%	1.2%	32.7%				
Tbilisi Referral Hospital bed occupancy rate ²	52.2%	33.5%	46.5%				
Average length of stay (days) ²	5.4	5.5	5.2				
Clinics							
EBITDA margin <i>excluding IFRS 16</i>	18.7%	14.6%	19.1%				
EBITDA margin of polyclinics <i>excluding IFRS 16</i>	14.6%	13.5%	13.0%				
Direct salary rate (direct salary as % of revenue)	34.6%	36.5%	36.7%				
Materials rate (direct materials as % of revenue)	6.1%	6.4%	5.3%				
Number of community clinics	19	21	21				
Number of community clinics beds	353	353	353				
Number of polyclinics	16	17	16				
Pharmacy and distribution							
EBITDA margin <i>excluding IFRS 16</i>	10.7%	10.0%	10.8%				
Number of bills issued	7.16mln	6.70mln	7.15mln				
Average bill size	13.7	13.9	13.9				
Revenue from wholesale as a percentage of total revenue from pharma	28.9%	25.1%	25.8%				
Revenue from retail as a percentage of total revenue from pharma	71.1%	74.9%	74.2%				
Revenue from para-pharmacy as a percentage of retail revenue from pharma	29.3%	28.8%	30.1%				
Number of pharmacies	276	256	270				
Medical insurance							
Loss ratio	85.3%	84.3%	78.2%				
Expense ratio <i>excluding IFRS 16, of which</i>	12.6%	15.7%	18.5%				
<i>Commission ratio</i>	4.4%	5.1%	5.7%				
Combined ratio <i>excluding IFRS 16</i>	97.9%	100.0%	96.6%				
Renewal rate	74.4%	70.6%	65.8%				
Diagnostics							
EBITDA margin <i>excluding IFRS 16 impact</i>	4.2%	NA	NA				
Number of patients served ('000)	67	NA	NA				
Number of tests performed ('000)	172	NA	NA				
Average revenue per test GEL	6.7	NA	NA				
Average number of tests per patient	2.6	NA	NA				

(1) Return on invested capital is adjusted to exclude newly launched hospitals and polyclinics that are in roll-out phase

(2) Excluding emergency beds



Forward looking statements

This announcement contains forward-looking statements, including, but not limited to, statements concerning expectations, projections, objectives, targets, goals, strategies, future events, future revenues or performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, competitive strengths and weaknesses, plans or goals relating to financial position and future operations and development. Although Georgia Healthcare Group PLC believes that the expectations and opinions reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations and opinions will prove to have been correct. By their nature, these forward-looking statements are subject to a number of known and unknown risks, uncertainties and contingencies, and actual results and events could differ materially from those currently being anticipated as reflected in such statements. Important factors that could cause actual results to differ materially from those expressed or implied in forward-looking statements, certain of which are beyond our control, include, among other things: business integration risk; compliance risk; recruitment and retention of skilled medical practitioners risk; clinical risk; concentration of revenue and the Universal Healthcare Programme; currency and macroeconomic; information technology and operational risk; regional tensions and political risk; and other key factors that we have indicated could adversely affect our business and financial performance, which are contained elsewhere in this document and in our past and future filings and reports, including the “Principal Risks and Uncertainties” included in Georgia Healthcare Group PLC’s Annual Report and Accounts 2018. No part of these results constitutes, or shall be taken to constitute, an invitation or inducement to invest in Georgia Healthcare Group PLC or any other entity, and must not be relied upon in any way in connection with any investment decision. Georgia Healthcare Group PLC undertakes no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required. Nothing in this document should be construed as a profit forecast