



**GEORGIA  
HEALTHCARE  
GROUP**

## **4<sup>th</sup> quarter and full year 2022 Results**

*An extract from the parent company's, Georgia Capital PLC, results file. For the full version of the results release, please refer to the following link: [Georgia Capital PLC | 4Q22 & FY22 results](#)*

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### **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 Capital 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: regional instability; impact of COVID-19; regulatory risk across a wide range of industries; investment risk; liquidity risk; portfolio company strategic and execution risks; currency fluctuations, including depreciation of the Georgian Lari, and macroeconomic risk; and other key factors that could adversely affect our business and financial performance, which are contained elsewhere in this document and in our past and future filings and reports and also the 'Principal Risks and Uncertainties' included in the 1H22 Result Announcement and in Georgia Capital PLC's Annual Report and Accounts 2021. No part of this document constitutes, or shall be taken to constitute, an invitation or inducement to invest in Georgia Capital PLC or any other entity and must not be relied upon in any way in connection with any investment decision. Georgia Capital PLC and other entities undertake 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.

## GHG overview

JSC Georgia Healthcare Group (“GHG” or “the Group”) is the largest and the only fully integrated healthcare provider in the fast-growing, predominantly privately-owned Georgian healthcare ecosystem, comprising four business lines: retail (pharmacy) business, hospitals business, medical insurance business and Clinics & Diagnostics Business.

Georgia Healthcare Group PLC was listed on the premium segment of the London Stock Exchange (“LSE”) in November 2015. Following the largest shareholder’s, Georgia Capital’s (GCAP), final share exchange offer becoming unconditional in all respects, Georgia Healthcare Group PLC’s listing on the premium segment of the London Stock Exchange’s main market was cancelled in August 2020 (further details of the transaction are available at: <https://georgiacapital.ge/ir/offer-ghg>).

GCAP, the 100% ultimate owner of GHG as of August 2022, continues to be listed on the premium segment of LSE (LN:CGEO).

*Below is presented the Group’s and its businesses fourth quarter and full year 2022 consolidated financial results. Unless otherwise mentioned, comparatives are for the fourth quarter and full year 2021. The results are based on International Financial Reporting Standards (“IFRS”) as adopted in the European Union (“EU”), are unaudited and extracted from management accounts.*

## Discussion of Retail (pharmacy) Business Results

The retail (pharmacy) business, where GCAP owns a 77% equity interest<sup>1</sup>, is the largest pharmaceuticals retailer and wholesaler in Georgia, with a 35% market share by revenue. The business consists of a retail pharmacy chain and a wholesale business that sells pharmaceuticals and medical supplies to hospitals and other pharmacies. The business operates a total of 372 pharmacies (of which 362 are in Georgia and 10 are in Armenia) and 12 franchise stores.

### 4Q22 & FY22 performance (GEL '000), Retail (pharmacy)<sup>2</sup>

(Unaudited)

#### INCOME STATEMENT HIGHLIGHTS

	4Q22	4Q21	Change	FY22	FY21	Change
<b>Revenue, net</b>	<b>209,182</b>	<b>216,275</b>	<b>-3.3%</b>	<b>789,893</b>	<b>782,409</b>	<b>1.0%</b>
Of which, retail	167,921	167,884	0.0%	620,936	583,465	6.4%
Of which, wholesale	41,261	48,391	-14.7%	168,957	198,944	-15.1%
<b>Gross Profit</b>	<b>59,967</b>	<b>59,861</b>	<b>0.2%</b>	<b>231,270</b>	<b>203,068</b>	<b>13.9%</b>
Gross profit margin	28.7%	27.7%	1.0 ppts	29.3%	26.0%	3.3 ppts
Operating expenses (ex. IFRS 16)	(39,564)	(37,398)	5.8%	(154,343)	(126,874)	21.7%
<b>EBITDA (ex. IFRS 16)</b>	<b>20,403</b>	<b>22,463</b>	<b>-9.2%</b>	<b>76,927</b>	<b>76,194</b>	<b>1.0%</b>
EBITDA margin, (ex. IFRS 16)	9.8%	10.4%	-0.6 ppts	9.7%	9.7%	0.0 ppts
<b>Net profit (ex. IFRS 16)</b>	<b>12,700</b>	<b>20,592</b>	<b>-38.3%</b>	<b>63,905</b>	<b>67,870</b>	<b>-5.8%</b>

#### CASH FLOW HIGHLIGHTS

<b>Cash flow from operating activities (ex. IFRS 16)</b>	<b>22,619</b>	<b>40,283</b>	<b>-43.8%</b>	<b>77,099</b>	<b>80,016</b>	<b>-3.6%</b>
EBITDA to cash conversion	110.9%	179.3%	-68.4 ppts	100.2%	105.0%	-4.8 ppts
<b>Cash flow used in investing activities<sup>3</sup></b>	<b>(3,808)</b>	<b>(8,379)</b>	<b>-54.6%</b>	<b>(58,367)</b>	<b>(21,741)</b>	<b>NMF</b>
<b>Free cash flow, (ex. IFRS 16)<sup>4</sup></b>	<b>18,938</b>	<b>34,403</b>	<b>-45.0%</b>	<b>15,016</b>	<b>63,470</b>	<b>-76.3%</b>
<b>Cash flow used in financing activities (ex. IFRS 16)</b>	<b>(6,716)</b>	<b>(13,573)</b>	<b>-50.5%</b>	<b>3,392</b>	<b>(39,243)</b>	<b>NMF</b>

#### BALANCE SHEET HIGHLIGHTS

	31-Dec-22	30-Sep-22	Change	31-Dec-21	Change
<b>Total assets</b>	<b>577,494</b>	<b>545,461</b>	<b>5.9%</b>	<b>522,814</b>	<b>10.5%</b>
Of which, cash and bank deposits	75,279	63,273	19.0%	54,616	37.8%
Of which, securities and loans issued	22,857	21,526	6.2%	20,922	9.2%
<b>Total liabilities</b>	<b>511,671</b>	<b>496,415</b>	<b>3.1%</b>	<b>497,954</b>	<b>2.8%</b>
Of which, borrowings	131,547	131,124	0.3%	89,844	46.4%
Of which, lease liabilities	107,455	107,110	0.3%	104,613	2.7%
<b>Total equity</b>	<b>65,823</b>	<b>49,046</b>	<b>34.2%</b>	<b>24,860</b>	<b>NMF</b>

#### INCOME STATEMENT HIGHLIGHTS

- A y-o-y change in 4Q22 and FY22 total revenues reflect the combination of factors:
  - a) the recalibration of product prices due to the GEL's appreciation against the basket of foreign currencies (the FX effect is directly transmitted into the pricing as c.70% of the inventory purchases are denominated in foreign currencies)
  - b) the gradual transfer of the hospitals business' procurement department from pharmacy to hospitals (which began in January 2021 and was completed in December 2022), leading to a decrease in revenues from the wholesale business line.
  - c) the continued expansion of the pharmacy chain and franchise stores and the overall growth in the Georgian economy,
- Robust gross profit margins of 28.7% and 29.3% in 4Q22 and FY22, respectively (up 1.0 ppts and 3.3 ppts y-o-y, respectively) reflect:
  - the increased sales of high-margin para-pharmacy products in the retail business line (revenue from para-pharmacy, as a percentage of retail revenue, was 38.6% in 4Q22 and 36.5% in FY22 (36.4% in 4Q21 and 35.3% in FY21)).
  - growing profitability of the wholesale business line, notwithstanding the y-o-y revenue reduction.
  - Successful marketing activities as well as the strong economic recovery compared to 2021 when due to the competitive environment and the general macro backdrop business margins were subdued.
- Negative operating leverage (operating expenses up 5.8% in 4Q22 and up 21.7% in FY22) reflects inflation and increases in salary and utility expenditures associated with the openings of new pharmacies and franchise stores in Azerbaijan and Armenia. FY22 salary expense growth also reflects the base effect impact of the state income tax subsidy for low-salary range employees which was in effect in 1H21 (the subsidy was in place from May 2020 - June 2021).

<sup>1</sup> In October 2021, GHG signed a share purchase agreement to acquire the then remaining 33% minority interest in its retail (pharmacy) business by 2027. The buyout will be executed in six annual tranches at a 5.25x EV/EBITDA multiple. The first tranche of 10% was acquired in 2022. The second tranche of 11% is expected to be acquired in 2023. For details, please see page 12 of our Annual Report 2021.

<sup>2</sup> The detailed IFRS financial statements are included in supplementary excel file, available at <https://georgiacapital.ge/ir/financial-results>. See reconciliation to IFRS 16 on page 29.

<sup>3</sup> Of which - capex of GEL 3.7 million in 4Q22 and GEL 20.9 million in FY22 (GEL 3.6 million in 4Q21 and GEL 14.3 million in FY21); acquisition of minority shares of GEL 41.2 million in FY22.

<sup>4</sup> Calculated by deducting capex and acquisition of minority share from operating cash flows.

- EBITDA margin stood at 9.8% in 4Q22 (down 0.6 ppts y-o-y) and 9.7% in FY22, flat y-o-y. Excluding the impact of the state income tax subsidy in 2022, the EBITDA margin (excl. IFRS 16) was up 0.3 ppts in FY22, y-o-y.
- Net interest expense was down 29.3% in FY22 y-o-y, due to the lower average net debt balance (excl. IFRS 16).
- The business posted GEL 12.7 million net profit excluding IFRS 16 in 4Q22. Overall, in FY22 net profit excluding IFRS 16 reached GEL 63.9 million, which also reflects one-off costs associated with the termination of contracts due to changes in management.

### CASH FLOW AND BALANCE SHEET HIGHLIGHTS

- Cash flow from operating activities was strong, with 110.9% and 100.2% EBITDA to cash conversion ratio in 4Q22 and FY22, respectively. A 68.4 ppts y-o-y decrease in the EBITDA to cash conversion ratio in 4Q22 reflects the unusually high ratio in 4Q21, due to the increased 4Q21 retail revenues (up 18.0% y-o-y), resulting from the rebound in economic activities following the removal of lock-down related restriction and collection of accounts receivables' balances in 4Q21.
- Increased cash outflows from investing activities in FY22 reflect a) the payment to minorities to buyout a 10% minority share, b) increased capex investments attributable to the implementation of a new core IT system for improved inventory management (GEL 5.5 million in FY22), c) launch of new projects, such as new large-scale pharmacies and The Body Shop franchise stores in Armenia and Azerbaijan, and d) regular expansion of the chain in Georgia.
- Q-o-q decrease in net debt, down 27.9% to GEL 33.4 million, reflects the increased cash balance, due to the strong operating cash flow of the business in 4Q22. The 133.5% y-o-y increase in net debt in FY22, is attributable to the payment of GEL 41.2 million to complete the buyout of a 10% minority stake (described in footnote 32 on the previous page).
- The business paid GEL 16.0 million dividends to GCAP in 2022.

### OTHER VALUATION DRIVERS AND OPERATING HIGHLIGHTS

- **New Regulation** – Effective from 15th of January 2023, the Ministry of Health, Labour and Social Affairs of Georgia (the "Ministry") implemented an External Reference Pricing model on the pharmaceuticals market, only related to prescribed medicines that are financed by the State. Reference Pricing is an approach where prices are set according to the benchmark prices for the same or similar medicines in comparable countries. According to the new initiative, the Ministry introduced the maximum retail price on targeted pharmaceutical products, in two directions: Generic and Original drugs. The price caps are set based on the average of such medicine prices in the following countries: Bulgaria, Latvia, Macedonia, and Montenegro.

Currently, approximately 50 Generic drugs are subject to the new regulation. We anticipate the direct impact of the new regulation on the 2023 EBITDA to be a decrease of approximately GEL 4 million. In order to minimise the impact, the business intends to renegotiate the contractual terms with its suppliers.

- In line with our strategy to expand the product mix at our pharmacies, the business signed a 4-year exclusive sales agreement with Carter's Inc (a major American designer and marketer of children's apparel). In November 2022, the business launched its first standalone flagship Carter's store in Tbilisi. Carter's products are also available in our "shop-in-shop" model stores. Currently, the business operates seven shop-in shops and plans to add five in 2023 as well as another flagship standalone store. Adding Carter's brand to the portfolio upgrades and diversifies our range of retail products, contributes to same-store growth and increases margins.

- The business added 24 pharmacies and 5 franchise stores (one of which is Carter's) over the last 12 months.

<i>(Unaudited)</i>	<b>Dec-22</b>	<b>Sep-22</b>	<b>Change (q-o-q)</b>	<b>Dec-21</b>	<b>Change (y-o-y)</b>
<b>Number of pharmacies</b>	<b>372</b>	<b>368</b>	<b>4</b>	<b>348</b>	<b>24</b>
<i>Of which, Georgia</i>	<i>362</i>	<i>359</i>	<i>3</i>	<i>344</i>	<i>18</i>
<i>Of which, Armenia</i>	<i>10</i>	<i>9</i>	<i>1</i>	<i>4</i>	<i>6</i>
<b>Number of franchise stores</b>	<b>12</b>	<b>10</b>	<b>2</b>	<b>7</b>	<b>5</b>
<i>Of which, Georgia</i>	<i>8</i>	<i>7</i>	<i>1</i>	<i>6</i>	<i>2</i>
<i>Of which, Armenia</i>	<i>2</i>	<i>2</i>	<i>-</i>	<i>1</i>	<i>1</i>
<i>Of which, Azerbaijan</i>	<i>2</i>	<i>1</i>	<i>1</i>	<i>-</i>	<i>2</i>

- Retail (Pharmacy)'s key operating performance highlights for 4Q22 and FY22 are noted below:

<b>Key Ratios, unaudited</b>	<b>4Q22</b>	<b>4Q21</b>	<b>Change</b>	<b>FY22</b>	<b>FY21</b>	<b>Change</b>
<i>Same store revenue growth</i>	<i>-8.7%</i>	<i>10.6%</i>	<i>-19.3ppts</i>	<i>-0.8%</i>	<i>10.6%</i>	<i>-11.4 ppts</i>
<i>Number of bills issued (mln)</i>	<i>8.5</i>	<i>8.0</i>	<i>6.3%</i>	<i>31.0</i>	<i>29.0</i>	<i>6.9%</i>
<i>Average bill size (GEL)</i>	<i>18.7</i>	<i>19.9</i>	<i>-6.0%</i>	<i>19.0</i>	<i>18.9</i>	<i>0.5%</i>

- The y-o-y decrease in the same store revenue growth rates in 4Q22 and FY22 is also attributable to GEL's appreciation against foreign currencies and the higher base effect of strong y-o-y revenue growth in 4Q21 and FY21, due to the rebound in economic activities following the removal of the COVID-related restrictions.

## Discussion of Hospitals Business Results

The hospitals business, where GCAP owns a 100% equity, is the largest healthcare market participant in Georgia, comprised of 16 referral hospitals with a total of 2,524 beds, providing secondary and tertiary level healthcare services across Georgia.

### 4Q22 & FY22 performance (GEL '000), Hospitals<sup>5</sup>

(Unaudited)

#### INCOME STATEMENT HIGHLIGHTS

	4Q22	4Q21	Change	FY22	FY21	Change
Revenue, net <sup>6</sup>	72,608	85,344	-14.9%	288,745	318,349	-9.3%
Gross Profit	28,214	30,740	-8.2%	105,401	123,752	-14.8%
Gross profit margin	38.3%	35.4%	2.9 ppts	36.0%	38.4%	-2.4 ppts
Operating expenses (ex. IFRS 16)	(14,009)	(13,582)	3.1%	(52,707)	(49,536)	6.4%
EBITDA (ex. IFRS 16)	14,205	17,158	-17.2%	52,694	74,216	-29.0%
EBITDA margin (ex. IFRS 16)	19.3%	19.8%	-0.5 ppts	18.0%	23.0%	-5.0 ppts
Net profit (ex. IFRS 16) <sup>7</sup>	309	3,835	-91.9%	1,596	26,179	-93.9%

#### CASH FLOW HIGHLIGHTS

Cash flow from operating activities (ex. IFRS 16)	10,179	15,229	-33.2%	28,563	56,958	-49.9%
EBITDA to cash conversion (ex. IFRS 16)	71.7%	88.8%	-17.1 ppts	54.2%	76.7%	-22.5 ppts
Cash flow used in investing activities <sup>8</sup>	(10,970)	(2,370)	NMF	(14,528)	(26,828)	-45.8%
Free cash flow (ex. IFRS 16) <sup>9</sup>	(1,506)	12,195	NMF	11,092	24,226	-54.2%
Dividends and intersegment loans issued/received	(468)	14,019	NMF	(1,521)	45,653	NMF
Cash flow from financing activities (ex. IFRS 16)	4,002	(22,117)	NMF	(35,160)	(115,203)	-69.5%

#### BALANCE SHEET HIGHLIGHTS

	31-Dec-22	30-Sep-22	Change	31-Dec-21	Change
Total assets	614,727	612,987	0.3%	658,071	-6.6%
Of which, cash balance and bank deposits	21,625	19,048	13.5%	46,131	-53.1%
Of which, securities and loans issued	14,040	12,125	15.8%	11,678	20.2%
Total liabilities	267,337	266,657	0.3%	293,428	-8.9%
Of which, borrowings	213,880	203,879	4.9%	223,433	-4.3%
Total equity	347,390	346,330	0.3%	364,643	-4.7%

Over the course of the last two years, the hospitals business was actively engaged in supporting the COVID-19 pandemic response in Georgia and had mobilised 7 hospitals to receive COVID patients, with a total aggregate number of c.800 beds across the country. The Government of Georgia fully reimbursed costs associated with COVID-19 treatments and paid a fixed fee amount per bed designated for COVID patients. As the COVID cases declined substantially in Georgia starting from 2022, the Government suspended the COVID contracts with hospitals in mid-March 2022. Restructuring the cost base of COVID hospitals, and phasing out from Government contracts, has temporarily suppressed the business margins in 2022. The business expects to return to normal operating levels starting from 2023.

#### INCOME STATEMENT HIGHLIGHTS

- A y-o-y decrease in 4Q22 and FY22 revenues reflects:
  - A decrease in the number of admissions and occupancy rate due to the transition to the post-pandemic environment, as described above;
  - Temporary closure of Iashvili Paediatric Tertiary Referral Hospital ("Iashvili Hospital"), the largest paediatric services provider in the country, due to the mandatory regulatory-related renovation works. The works commenced in October 2022 and are expected to complete by the end of February 2023.
  - The absence of revenues from the Traumatology Hospital, which was divested in April 2022.
  - Adjusted for the temporary closure of Iashvili Hospital and the absence of revenues from the Traumatology Hospital, the 4Q22 and FY22 revenues were down by 7.7% and 6.3% y-o-y respectively.
- The cost of services in the business consists mainly of salaries, materials and utilities. Trends in salary and materials costs are captured in the direct salary and materials rates.<sup>10</sup> The 2.9 ppts increase in gross margin in 4Q22 and the 2.4 ppts decrease in FY22 y-o-y resulted from the following
  - Due to the suspension of COVID hospitals' contracts in March and the related decrease in revenue (a significant portion of direct salaries are fixed), the direct salary rate was up 2.5 ppts y-o-y to 36.5% in 4Q22. Apart from this, a lower base effect resulting from the state income tax subsidy for low salary range employees in effect during 1H21, translated into an increased direct salary rate, up 4.5 ppts to 36.3% in FY22, y-o-y. The salary rate is expected to stabilise as COVID hospitals restructure to a normal operating level. The stabilisation effect is already reflected in the 4Q22 direct salary rate, down 2.0 ppts q-o-q.
  - Developing its own procurement department for hospitals coupled with phasing out of COVID, translated into an improved materials rate of 16.0% in 4Q22 (21.9% in 4Q21) and 18.0% in FY22 (21.1% in FY21).

<sup>5</sup> The detailed IFRS financial statements are included in supplementary excel file, available at <https://georgiacapital.ge/ir/financial-results>. See reconciliation to IFRS 16 on page 29.

<sup>6</sup> Net revenue – Gross revenue less corrections and rebates. Margins are calculated from gross revenue.

<sup>7</sup> FY22 net profit is adjusted for a GEL 2.7 million loss from the sale of the Traumatology Hospital.

<sup>8</sup> Of which - capex of GEL 11.7 million in 4Q22 and GEL 26.2 million in FY22 (GEL 6.4 million in 4Q21 and GEL 24.1 million in FY21); payment of holdback of GEL 12.1 million in FY21; and proceeds from sale of PPE/subsidiary of GEL 8.7 million in FY22 (GEL 3.4 million in 4Q21 and FY21).

<sup>9</sup> Operating cash flows less capex, less acquisition of subsidiaries / payment of holdback, plus net proceeds on sale of PPE/subsidiary.

<sup>10</sup> The respective costs divided by gross revenues.

- Utilities and other costs were up in 2022, resulting from inflation pressures, such as increased fuel prices.
- Negative operating leverage further reflects the increases in administrative salaries (up 7.8% and 3.7% y-o-y in 4Q22 and FY22, respectively) and the general and administrative expenses (excl. IFRS 16) (up 16.6% in FY22 y-o-y), due to the launch of new product and services and increased marketing costs to support the transition to the post-COVID environment. General and administrative expenses showed a positive trend in 4Q22, down by 2.3% y-o-y.
- The developments described above resulted in reduced EBITDA (excl. IFRS 16) and EBITDA margins (down 0.5 pts and 5.0 pts y-o-y in 4Q22 and FY22). Adjusted for the temporary closure of Iashvili Hospital and the absence of revenues from the Traumatology Hospital, the 4Q22 EBITDA was up by 3.5% y-o-y (down 24.8% y-o-y in FY22).
- Increased interest rates on the market led to an increase in net interest expense (excl. IFRS 16) in 4Q22 and FY22, up by 3.8% and 12.3% y-o-y, respectively.
- Overall, the business posted a GEL 0.3 million net profit excluding IFRS 16 in 4Q22 and GEL 1.6 million<sup>11</sup> net profit in FY22, which also reflects one-off costs associated with the termination of contracts due to changes in management.

### CASH FLOW AND BALANCE SHEET HIGHLIGHTS

- Cash flow from operating activities (excl. IFRS 16) was down in 2022, due to the phasing out of Government COVID programmes, the payment term of which was payable within a month of origination, while the universal healthcare coverage ("UHC") collection period is around four months. The transition period led to weaker cash collections in 2022, with a 54.2% EBITDA to cash conversion rate (excl. IFRS 16), however, the rate started to recover from 4Q22 when it reached 71.7%.
- Capex investment was GEL 11.7 million in 4Q22, reflecting maintenance capex used for the renovation works in Iashvili Hospital, as described above. Capex investment in FY22 amounted to 26.2 million and was also mainly attributable to maintenance capex.
- Net debt remained largely flat in 4Q22, up 3.2% q-o-q (up 7.6% in FY22).
- The business paid GEL 13.0 million dividends to GCAP in FY22.

### OTHER VALUATION DRIVERS AND OPERATING HIGHLIGHTS

- To streamline the state funding financing in healthcare and improve the reimbursement process, the Georgian Government introduced an initiative to implement a Diagnosis Related Group (DRG) financing system. The DRG system categorises inpatient case types that are clinically similar and expected to use the same or similar resources into groups by applying various criteria (age, sex, intervention needed, comorbidity, etc.). The rollout of the DRG system started on 1-Nov-22 and was in a testing phase until 1-Jan-23. While it is too early to estimate its impact on the financial performance of our hospitals business, the implementation of the DRG system aims to increase the efficiency of state financing and improve the quality of healthcare service on the market. The system is expected to better reflect inflation and other price pressures that are present in the healthcare sector.
- The suspension of the Covid related government contracts also translated into a reduction in occupancy rates and the number of admissions. The business key operating performance highlights for 4Q22 and FY22 are noted below:

<b>Key metrics, unaudited</b>	<b>4Q22</b>	<b>4Q21</b>	<b>Change</b>	<b>FY22</b>	<b>FY21</b>	<b>Change</b>
Occupancy rate	52.0%	69.6%	-17.6ppts	54.3%	65.3%	-11.0ppts
Number of admissions (thousands)	271.1	349.9	-22.5%	1,175.0	1,326.6	-11.4%

<sup>11</sup> FY22 net profit is adjusted for a GEL 2.7 million loss from the sale of the Traumatology Hospital.

## Discussion of Medical Insurance Business Results

The insurance business comprises a) Property and Casualty (P&C) insurance business and b) medical insurance business. The medical insurance business is one of the country's largest private health insurers, with a 19% market share based on 9M22 net insurance premiums. Medical Insurance offers a variety of health insurance products primarily to corporate and (selectively) to state entities and also to retail clients in Georgia. GCAP owns a 100% equity stake in both insurance businesses.

### Discussion of results, Medical Insurance

(GEL '000, Unaudited)

<b>INCOME STATEMENT HIGHLIGHTS</b>	<b>4Q22</b>	<b>4Q21</b>	<b>Change</b>	<b>FY22</b>	<b>FY21</b>	<b>Change</b>
Earned premiums, net	19,955	18,297	9.1%	74,840	72,381	3.4%
Net underwriting profit	2,648	2,472	7.1%	10,628	11,557	-8.0%
Net investment profit	1,048	803	30.5%	3,894	2,954	31.8%
Net profit	876	593	47.7%	3,392	3,773	-10.1%
<b>CASH FLOW HIGHLIGHTS</b>						
Net cash flows from operating activities	3,129	2,503	25.0%	4,665	5,056	-7.7%
Free cash flow	2,779	2,324	19.6%	3,700	4,669	-20.8%
<b>BALANCE SHEET HIGHLIGHTS</b>						
	<b>31-Dec-22</b>	<b>30-Sep-22</b>	<b>Change</b>	<b>31-Dec-21</b>	<b>Change</b>	
Total assets	95,930	95,921	NMF	78,822	21.7%	
Total equity	35,581	34,610	2.8%	32,230	10.4%	

#### INCOME STATEMENT HIGHLIGHTS

- The increase in 4Q22 earned premiums net is due to the increased prices of insurance policies (c.5%), while the FY22 increase reflects the combined effect of a price increase and a decrease in an average number of insured clients during a year, compared to 2021.
- In FY22, the net claims expenses were GEL 60.6 million (up 5.5% y-o-y), of which GEL 26.6 million (43.9% of total) was inpatient, GEL 22.1 million (36.5% of total) was outpatient and GEL 11.9 million (19.6% of total) was related to pharmaceuticals.
- The business maintained a targeted loss ratio throughout the year, at 81.8% in 4Q22 and 81.0% in FY22.
- The combined ratio was largely flat, down 0.1 ppts, to 100.2% for the quarter and up 2.0 ppts to 99.4% for the FY22.
- The developments described above led to a 47.7% y-o-y increase in net profit in 4Q22 (down by 10.1% y-o-y in FY22).

#### CASH FLOW AND BALANCE SHEET HIGHLIGHTS

- The 25.0% y-o-y increase in the operating cash flow in 4Q22 was in line with the top-line growth of the business (down 7.7% y-o-y in FY22).

#### OTHER VALUATION DRIVERS AND OPERATING HIGHLIGHTS

- The number of insured clients was c.164,000 as of 31-Dec-22, down 0.9% y-o-y. The business remains one of the largest medical insurers on the market with a 19% market share based on 9M22 net insurance premiums. The insurance renewal rate was up 6.8 ppts to 83.9% in 4Q22 and down 0.6 ppts to 77.4% in FY22.



## Discussion of Clinics and Diagnostics Business Results

The clinics and diagnostics business, where GCAP owns a 100% equity interest, is the second largest healthcare market participant in Georgia after our hospitals business. The business comprises two segments: 1) Clinics: 19 community clinics with 353 beds (providing outpatient and basic inpatient services); 17 polyclinics (providing outpatient diagnostic and treatment services) and 17 lab retail points at GPC pharmacies; 2) Diagnostics, operating the largest laboratory in the entire Caucasus region – “Mega Lab”.

### 4Q22 & FY22 performance (GEL '000), Clinics and Diagnostics<sup>12</sup>

(Unaudited)

<b>INCOME STATEMENT HIGHLIGHTS</b>	<b>4Q22</b>	<b>4Q21</b>	<b>Change</b>	<b>FY22</b>	<b>FY21</b>	<b>Change</b>
<b>Revenue, net<sup>13</sup></b>	<b>19,187</b>	<b>27,484</b>	<b>-30.2%</b>	<b>80,573</b>	<b>95,029</b>	<b>-15.2%</b>
Of which, clinics	16,556	20,516	-19.3%	65,794	70,512	-6.7%
Of which, diagnostics	4,253	8,442	-49.6%	20,477	30,441	-32.7%
Of which, inter-business eliminations	(1,622)	(1,474)	10.0%	(5,698)	(5,924)	-3.8%
<b>Gross Profit</b>	<b>7,751</b>	<b>11,258</b>	<b>-31.2%</b>	<b>32,696</b>	<b>42,598</b>	<b>-23.2%</b>
Gross profit margin	40.1%	40.7%	-0.6 ppts	40.4%	44.6%	-4.2 ppts
Operating expenses (ex. IFRS 16)	(6,418)	(6,122)	4.8%	(23,061)	(21,201)	8.8%
<b>EBITDA (ex. IFRS 16)</b>	<b>1,333</b>	<b>5,136</b>	<b>-74.0%</b>	<b>9,635</b>	<b>21,397</b>	<b>-55.0%</b>
EBITDA margin (ex. IFRS 16)	6.9%	18.6%	-11.7 ppts	11.9%	22.4%	-10.5 ppts
<b>Net (loss)/profit (ex. IFRS 16)</b>	<b>(4,388)</b>	<b>2,070</b>	<b>NMF</b>	<b>(5,369)</b>	<b>9,134</b>	<b>NMF</b>
<b>CASH FLOW HIGHLIGHTS</b>						
<b>Cash flow from operating activities (ex. IFRS 16)</b>	<b>2,526</b>	<b>9,498</b>	<b>-73.4%</b>	<b>7,045</b>	<b>21,423</b>	<b>-67.1%</b>
EBITDA to cash conversion (ex. IFRS 16)	189.5%	184.9%	4.6 ppts	73.1%	100.1%	-27.0 ppts
<b>Cash flow used in investing activities</b>	<b>(1,233)</b>	<b>(5,153)</b>	<b>-76.1%</b>	<b>(9,349)</b>	<b>(11,130)</b>	<b>-16.0%</b>
<b>Free cash flow (ex. IFRS 16)<sup>14</sup></b>	<b>1,341</b>	<b>5,750</b>	<b>-76.7%</b>	<b>(2,222)</b>	<b>12,107</b>	<b>NMF</b>
<b>Cash flow from financing activities (ex. IFRS 16)</b>	<b>3,945</b>	<b>(8,058)</b>	<b>NMF</b>	<b>2,993</b>	<b>(10,320)</b>	<b>NMF</b>
<b>BALANCE SHEET HIGHLIGHTS</b>						
	<b>31-Dec-22</b>	<b>30-Sep-22</b>	<b>Change</b>	<b>31-Dec-21</b>	<b>Change</b>	
<b>Total assets</b>	<b>190,767</b>	<b>186,461</b>	<b>2.3%</b>	<b>178,592</b>	<b>6.8%</b>	
Of which, cash balance and bank deposits	6,966	1,729	NMF	6,292	10.7%	
Of which, securities and loans issued	3,107	3,493	-11.1%	3,699	-16.0%	
<b>Total liabilities</b>	<b>94,786</b>	<b>86,839</b>	<b>9.2%</b>	<b>80,613</b>	<b>17.6%</b>	
Of which, borrowings	60,832	54,593	11.4%	50,854	19.6%	
<b>Total equity</b>	<b>95,981</b>	<b>99,622</b>	<b>-3.7%</b>	<b>97,979</b>	<b>-2.0%</b>	

<sup>12</sup> The detailed IFRS financial statements are included in supplementary excel file, available at <https://georgiacapital.ge/ir/financial-results>. See reconciliation to IFRS 16 on page 30.

<sup>13</sup> Net revenue – Gross revenue less corrections and rebates. Margins are calculated from Gross revenue.

<sup>14</sup> Operating cash flows less capex.

## Discussion of results, Clinics

The clinics business was actively engaged in supporting the COVID-19 pandemic response in Georgia, allocating 12 community clinics, with a total c.300 beds across the country. The Government of Georgia fully reimbursed costs associated with COVID-19 treatments and paid a fixed fee amount per bed designated for COVID patients. In March 2022, similarly to the hospitals business, the Government suspended the COVID contracts with clinics which temporarily suppressed the business' margins and revenue. These are expected to return to normal operating levels starting from 2023.

(GEL '000, unaudited)

### INCOME STATEMENT HIGHLIGHTS

	4Q22	4Q21	Change	FY22	FY21	Change
<b>Revenue, net<sup>49</sup></b>	<b>16,556</b>	<b>20,516</b>	<b>-19.3%</b>	<b>65,794</b>	<b>70,512</b>	<b>-6.7%</b>
Of which, polyclinics	10,593	9,959	6.4%	40,942	37,165	10.2%
Of which, community clinics	5,963	10,557	-43.5%	24,852	33,347	-25.5%
<b>Gross Profit</b>	<b>7,050</b>	<b>8,625</b>	<b>-18.3%</b>	<b>28,058</b>	<b>31,313</b>	<b>-10.4%</b>
Gross profit margin	42.2%	41.7%	0.5 ppts	42.4%	44.1%	-1.7 ppts
Operating expenses (ex. IFRS 16)	(5,433)	(4,994)	8.8%	(19,091)	(17,175)	11.2%
<b>EBITDA (ex. IFRS 16)</b>	<b>1,617</b>	<b>3,631</b>	<b>-55.5%</b>	<b>8,967</b>	<b>14,138</b>	<b>-36.6%</b>
EBITDA margin (ex. IFRS 16)	9.7%	17.6%	-7.9 ppts	13.5%	19.9%	-6.4 ppts
<b>Net (loss)/profit (ex. IFRS 16)</b>	<b>(3,756)</b>	<b>883</b>	<b>NMF</b>	<b>(4,717)</b>	<b>3,244</b>	<b>NMF</b>

### CASH FLOW HIGHLIGHTS

<b>Cash flow from operating activities (ex. IFRS 16)</b>	<b>1,627</b>	<b>6,721</b>	<b>-75.8%</b>	<b>6,998</b>	<b>15,607</b>	<b>-55.2%</b>
EBITDA to cash conversion (ex. IFRS 16)	100.6%	185.1%	-84.5 ppts	78.0%	110.4%	-32.4 ppts
<b>Cash flow used in investing activities<sup>15</sup></b>	<b>(1,209)</b>	<b>(4,141)</b>	<b>-70.8%</b>	<b>(8,636)</b>	<b>(8,462)</b>	<b>2.1%</b>
<b>Free cash flow (ex. IFRS 16)<sup>16</sup></b>	<b>478</b>	<b>3,253</b>	<b>-85.3%</b>	<b>(1,494)</b>	<b>7,559</b>	<b>NMF</b>
<b>Cash flow from financing activities (ex. IFRS 16)</b>	<b>4,299</b>	<b>(6,174)</b>	<b>NMF</b>	<b>4,329</b>	<b>(6,426)</b>	<b>NMF</b>

### BALANCE SHEET HIGHLIGHTS

	31-Dec-22	30-Sep-22	Change	31-Dec-21	Change
<b>Total assets</b>	<b>160,691</b>	<b>159,682</b>	<b>0.6%</b>	<b>147,368</b>	<b>9.0%</b>
Of which, cash balance and bank deposits	5,825	1,110	NMF	3,149	85.0%
Of which, securities and loans issued	3,379	3,759	-10.1%	3,947	-14.4%
<b>Total liabilities</b>	<b>83,531</b>	<b>79,513</b>	<b>5.1%</b>	<b>69,387</b>	<b>20.4%</b>
Of which, borrowings	56,908	50,818	12.0%	46,417	22.6%
<b>Total equity</b>	<b>77,160</b>	<b>80,169</b>	<b>-3.8%</b>	<b>77,981</b>	<b>-1.1%</b>

### INCOME STATEMENT HIGHLIGHTS

- 4Q22 revenues of the polyclinics were up 6.4% y-o-y, reflecting the net impact of a) a 26.9% y-o-y increase in the revenues from non-COVID, regular ambulatory services, resulting from the expansion of the business (adding two new polyclinics in 1H22), and b) a 93.4% y-o-y decrease in COVID-related revenues. The FY22 revenues from polyclinics were up 10.2% y-o-y, reflecting a 22.1% increase in revenues from non-COVID services, partially offset by a 47.3% decrease in revenues from COVID-related services.
- A 43.5% y-o-y decrease in 4Q22 revenues of the community clinics reflects a 98.7% y-o-y decrease in COVID-related revenues, partially offset by a 63.8% y-o-y increase in revenues from non-COVID services. FY22 revenues were down by 25.5% y-o-y. The top-line growth is expected to rebound starting from 2023, as the business passes through the COVID transition period.
- The cost of services in the business consists mainly of materials, salaries and utilities. Trends in materials and salary costs are captured in the direct materials and salary rates<sup>17</sup>. The 0.5 ppts y-o-y increase in the 4Q22 gross profit margin (down 1.7 ppts y-o-y in FY22) resulted from the following:
  - The transition from COVID was reflected in the improved materials rate (COVID treatments have a high materials rate) at 7.1% in 4Q22 (12.2% in 4Q21) and 8.6% in FY22 (10.6% in FY21).
  - Due to the opening of a new polyclinic and the suspension of the COVID clinics' contracts in March and the related decrease in revenue, and the fact that a significant portion of direct salaries is fixed, the direct salary rate was up 3.1 ppts y-o-y to 34.6% in 4Q22. This, coupled with the low base effect from the expiration of the state income tax subsidy that was in effect in 1H21, led to an increase in the direct salary rate in FY22, up 5.0 ppts y-o-y to 34.9%. The gradual restructuring of the COVID clinics to a normal operating level has, however, already been reflected in the 4Q22 salary rate, down 3.0 ppts q-o-q.
  - Adjusted for the impact of state income tax subsidy, the gross profit margin was down 0.1 ppts in FY22, y-o-y.
- Operating expenses (excl. IFRS 16), mainly comprising of salaries and other employee benefits (up 1.7% in 4Q22 and up 10.4% in FY22, y-o-y) and general and administrative expenses (excl. IFRS 16) (up 11.5% in 4Q22 and up 9.0% in FY22, y-o-y), were up in 2022 mainly due to the increased cost structure for COVID clinics and the expansion of the business.

<sup>15</sup> Of which – capex of GEL 1.1 million in 4Q22 and GEL 8.5 million in FY22 (GEL 3.5 million in 4Q21 and GEL 8.0 million in FY21).

<sup>16</sup> Operating cash flows less capex.

<sup>17</sup> The respective costs divided by gross revenues.

- As a result, the EBITDA margin (excl. IFRS 16) was down in both reporting periods (down 7.9 ppts in 4Q22 and down 6.4 ppts in FY22, y-o-y). Excluding the impact of the absence of the state income tax subsidy, the EBITDA margin (excl. IFRS 16) was down 4.8 ppts y-o-y in FY22.
- The increase in net debt position (up 21.3% y-o-y) to GEL 47.7 million due to the opening of new polyclinics, coupled with increased interest rates, led to an increase in FY22 net interest expense (excl. IFRS 16), up 16.4%, y-o-y.

### CASH FLOW AND BALANCE SHEET HIGHLIGHTS

- In 4Q22, the business posted a strong 100.6% EBITDA to cash conversion ratio. This compares to the ratio of 78.0% for FY22, which reflects weaker cash collections in 1H22.
- The business spent GEL 8.5 million on capex in FY22, of which GEL 1.7 million was maintenance capex and GEL 6.8 million was growth capex, primarily related to the opening of two new polyclinics in Tbilisi.

### OTHER VALUATION DRIVERS AND OPERATING HIGHLIGHTS

- Our community clinics and (to a lesser extent) our polyclinics were both affected due to the reduced traffic for COVID services, such as COVID tests and vaccinations in 4Q22:

<i>(unaudited)</i>	4Q22	4Q21	Change	FY22	FY21	Change
Number of admissions (thousands)	552.9	708.8	-22.0%	2,172.7	2,401.2	-9.5%
Of which, polyclinics	444.0	536.6	-17.2%	1,689.6	1,818.6	-7.1%
Of which, community clinics	108.9	172.3	-36.8%	483.1	582.6	-17.1%

- The number of registered patients in Tbilisi increased by c.21,000 y-o-y to c.277,000 and by c.27,000 y-o-y to c.616,000 across the country as of 31-Dec-22 y-o-y (in Georgia citizens register with a local clinic that becomes the main outpatient provider and receives a small annual fee for the administrative effort).

### Discussion of results, Diagnostics

(GEL '000, unaudited)

#### INCOME STATEMENT HIGHLIGHTS

	4Q22	4Q21	Change	FY22	FY21	Change
<b>Revenue, net<sup>18</sup></b>	<b>4,253</b>	<b>8,442</b>	<b>-49.6%</b>	<b>20,477</b>	<b>30,441</b>	<b>-32.7%</b>
Of which, from COVID-19 tests	310	4,812	-93.6%	6,060	16,448	-63.2%
Of which, from regular lab tests	3,943	3,630	8.6%	14,417	13,993	3.0%
<b>Gross Profit</b>	<b>701</b>	<b>2,633</b>	<b>-73.4%</b>	<b>4,632</b>	<b>11,285</b>	<b>-59.0%</b>
Gross profit margin	16.5%	31.2%	-14.7 ppts	22.6%	37.1%	-14.5 ppts
Operating expenses (ex. IFRS 16)	(985)	(1,128)	-12.7%	(3,964)	(4,026)	-1.5%
<b>EBITDA (ex. IFRS 16)</b>	<b>(284)</b>	<b>1,505</b>	<b>NMF</b>	<b>668</b>	<b>7,259</b>	<b>-90.8%</b>
EBITDA margin (ex. IFRS 16)	-6.7%	17.8%	-24.5 ppts	3.3%	23.8%	-20.5 ppts
<b>Net (loss)/profit (ex. IFRS 16)</b>	<b>(632)</b>	<b>1,187</b>	<b>NMF</b>	<b>(652)</b>	<b>5,890</b>	<b>NMF</b>

#### INCOME STATEMENT HIGHLIGHTS

- A 49.6% y-o-y decrease in the 4Q22 revenue of the business, which apart from regular diagnostics services was also actively engaged in COVID-19 testing, reflects a significantly reduced number of COVID cases in the country and the suspension of Government contracts from March 2022. This led to a 93.6% and 63.2% y-o-y decrease in revenues from COVID-19 tests in 4Q22 and FY22, respectively.
- The impact of the COVID-19 transition on total revenue was partially offset by increased revenues from regular lab tests, up 8.6% and 3.0% y-o-y in 4Q22 and FY22, respectively.
- A decrease in total revenue translated into reduced gross profit and EBITDA. The growth is expected to rebound over the next few quarters from the launch of the new ambulatory services as well as referrals and tests ordered from the expanded polyclinics chain.

### OTHER VALUATION DRIVERS AND OPERATING HIGHLIGHTS

- The business opened two new retail collection points in 2022 and the total number reached five. The launch of the retail points will bring in additional revenue from regular lab tests as well as attract business-to-business (B2B) contracts.
- The key operating performance highlights for 4Q22 and FY22 are noted below:

<i>unaudited</i>	4Q22	4Q21	Change	FY22	FY21	Change
Number of non-Covid tests performed (thousands)	607	550	10.4%	2,174	2,079	4.5%
Average revenue per non-Covid test (GEL)	6.5	6.6	-1.6%	6.6	6.7	-1.4%

<sup>18</sup> Net revenue – Gross revenue less corrections and rebates.

**SELECTED FINANCIAL INFORMATION – Retail (Pharmacy)****INCOME STATEMENT**

<i>GEL thousands, unless otherwise noted</i>	4Q22	4Q21	Change	FY22	FY21	Change
<b>Revenue</b>	<b>209,182</b>	<b>216,275</b>	<b>-3.3%</b>	<b>789,893</b>	<b>782,409</b>	<b>1.0%</b>
<b>Costs of services</b>	<b>(149,215)</b>	<b>(156,414)</b>	<b>-4.6%</b>	<b>(558,623)</b>	<b>(579,341)</b>	<b>-3.6%</b>
Cost of pharma – wholesale	(30,066)	(37,435)	-19.7%	(125,132)	(162,322)	-22.9%
Cost of pharma - retail	(119,149)	(118,979)	0.1%	(433,491)	(417,019)	3.9%
<b>Gross profit</b>	<b>59,967</b>	<b>59,861</b>	<b>0.2%</b>	<b>231,270</b>	<b>203,068</b>	<b>13.9%</b>
<b>Gross profit margin</b>	<b>28.7%</b>	<b>27.7%</b>	<b>+1.0 ppts</b>	<b>29.3%</b>	<b>26.0%</b>	<b>+3.3 ppts</b>
Salaries and other employee benefits	(20,268)	(19,660)	3.1%	(79,775)	(63,158)	26.3%
General and administrative expenses	(11,916)	(10,348)	15.2%	(45,329)	(36,986)	22.6%
<i>General and administrative expenses excluding IFRS 16</i>	<i>(19,296)</i>	<i>(17,594)</i>	<i>9.7%</i>	<i>(73,874)</i>	<i>(63,740)</i>	<i>15.9%</i>
Impairment of receivables	69	(17)	NMF	(80)	(55)	45.5%
Other operating income	(69)	(127)	-45.7%	(614)	79	NMF
<b>EBITDA</b>	<b>27,783</b>	<b>29,709</b>	<b>-6.5%</b>	<b>105,472</b>	<b>102,948</b>	<b>2.5%</b>
<b>EBITDA excluding IFRS 16</b>	<b>20,403</b>	<b>22,463</b>	<b>-9.2%</b>	<b>76,927</b>	<b>76,194</b>	<b>1.0%</b>
<b>EBITDA margin excluding IFRS 16</b>	<b>9.8%</b>	<b>10.4%</b>	<b>-0.6 ppts</b>	<b>9.7%</b>	<b>9.7%</b>	<b>0.0 ppts</b>
Depreciation and amortization	(7,506)	(8,131)	-7.7%	(30,336)	(26,908)	12.7%
<i>Depreciation and amortization excluding IFRS 16</i>	<i>(1,859)</i>	<i>(1,484)</i>	<i>25.3%</i>	<i>(6,845)</i>	<i>(5,241)</i>	<i>30.6%</i>
Net interest income (expense)	(4,206)	(3,348)	25.6%	(13,504)	(14,868)	-9.2%
<i>Net interest income (expense) excluding IFRS 16</i>	<i>(2,321)</i>	<i>(1,604)</i>	<i>44.7%</i>	<i>(5,852)</i>	<i>(8,279)</i>	<i>-29.3%</i>
Net gains/(losses) from foreign currencies	2,485	2,074	19.8%	20,787	12,047	72.5%
<i>Net gains/(losses) from foreign currencies excluding IFRS 16</i>	<i>(1,171)</i>	<i>1,374</i>	<i>NMF</i>	<i>9,931</i>	<i>7,543</i>	<i>31.7%</i>
Net non-recurring income/(expense)	(2,351)	(8)	NMF	(8,617)	(411)	NMF
<b>Net profit before income tax expense</b>	<b>16,205</b>	<b>20,296</b>	<b>-20.2%</b>	<b>73,802</b>	<b>72,808</b>	<b>1.4%</b>
Income tax benefit/(expense)	(1)	(149)	-99.3%	(1,639)	(1,936)	-15.3%
<b>Net profit for the period</b>	<b>16,204</b>	<b>20,147</b>	<b>-19.6%</b>	<b>72,163</b>	<b>70,872</b>	<b>1.8%</b>
<b>Attributable to:</b>						
- shareholders of the Company	11,486	12,262	-6.3%	48,307	45,128	7.0%
- non-controlling interests	4,718	7,885	-40.2%	23,856	25,744	-7.3%
<b>Net profit for the period excluding IFRS 16</b>	<b>12,700</b>	<b>20,592</b>	<b>-38.3%</b>	<b>63,905</b>	<b>67,870</b>	<b>-5.8%</b>
<b>Attributable to:</b>						
- shareholders of the Company	9,138	12,560	-27.2%	42,774	43,117	-0.8%
- non-controlling interests	3,562	8,032	-55.7%	21,131	24,753	-14.6%

**STATEMENT OF CASH FLOW**

<i>GEL thousands, unless otherwise noted</i>	4Q22	4Q21	Change	FY22	FY21	Change
<b>Cash flows from operating activities</b>						
Revenue received	206,519	220,182	-6.2%	775,138	768,128	0.9%
Cost of services paid	(144,955)	(145,881)	-0.6%	(546,535)	(568,385)	-3.8%
<b>Gross profit received</b>	<b>61,564</b>	<b>74,301</b>	<b>-17.1%</b>	<b>228,603</b>	<b>199,743</b>	<b>14.4%</b>
Salaries paid	(19,899)	(17,876)	11.3%	(77,393)	(58,353)	32.6%
General and administrative expenses paid	(11,734)	(9,054)	29.6%	(45,628)	(34,914)	30.7%
<i>General and administrative expenses paid, excluding IFRS 16</i>	<i>(19,114)</i>	<i>(16,300)</i>	<i>17.3%</i>	<i>(74,173)</i>	<i>(61,668)</i>	<i>20.3%</i>
Other operating income/(expense) and tax paid	275	488	-43.6%	1,252	1,306	-4.1%
<b>Net cash flows from operating activities before income tax</b>	<b>30,206</b>	<b>47,859</b>	<b>-36.9%</b>	<b>106,834</b>	<b>107,782</b>	<b>-0.9%</b>
Income tax paid	(207)	(330)	-37.3%	(1,190)	(1,012)	17.6%
<b>Net cash flows from operating activities</b>	<b>29,999</b>	<b>47,529</b>	<b>-36.9%</b>	<b>105,644</b>	<b>106,770</b>	<b>-1.1%</b>
<b>Net cash flows from operating activities, excluding IFRS 16</b>	<b>22,619</b>	<b>40,283</b>	<b>-43.8%</b>	<b>77,099</b>	<b>80,016</b>	<b>-3.6%</b>
<b>Cash flows from investing activities</b>						
Cash outflow on Capex	(3,681)	(3,602)	2.2%	(20,897)	(14,268)	46.5%
Acquisition of subsidiaries/payments of holdback	-	(2,278)	NMF	(41,186)	(2,278)	NMF
Interest income received	1,376	747	84.2%	6,526	2,465	NMF
Intersegment loans issued proceeds from other investing activities	(1,503)	(3,246)	-53.7%	(2,810)	(7,660)	-63.3%
<b>Net cash flow from investing activities</b>	<b>(3,808)</b>	<b>(8,379)</b>	<b>-54.6%</b>	<b>(58,367)</b>	<b>(21,741)</b>	<b>NMF</b>
<b>Cash flows from financing activities</b>						
Payment of dividends	(2,470)	(12,051)	-79.5%	(27,074)	(38,505)	-29.7%
Payment of finance lease liabilities	(5,497)	(5,502)	-0.1%	(20,893)	(20,165)	3.6%
Interest expense paid on finance lease	(1,883)	(1,744)	8.0%	(7,652)	(6,589)	16.1%
Increase/(decrease) in borrowings	-	(663)	NMF	42,586	2,184	NMF
Interest expense paid	(4,246)	(859)	NMF	(12,120)	(2,922)	NMF
<b>Net cash flows from financing activities</b>	<b>(14,096)</b>	<b>(20,819)</b>	<b>-32.3%</b>	<b>(25,153)</b>	<b>(65,997)</b>	<b>-61.9%</b>
<b>Net cash flows from financing activities, excluding IFRS 16</b>	<b>(6,716)</b>	<b>(13,573)</b>	<b>-50.5%</b>	<b>3,392</b>	<b>(39,243)</b>	<b>NMF</b>
Effect of exchange rates changes on cash and cash equivalents	(89)	(244)	-63.5%	(1,461)	(1,272)	14.9%
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>12,006</b>	<b>18,087</b>	<b>-33.6%</b>	<b>20,663</b>	<b>17,760</b>	<b>16.3%</b>
<b>Cash and bank deposits, beginning</b>	<b>63,273</b>	<b>36,529</b>	<b>73.2%</b>	<b>54,616</b>	<b>36,856</b>	<b>48.2%</b>
<b>Cash and bank deposits, ending</b>	<b>75,279</b>	<b>54,616</b>	<b>37.8%</b>	<b>75,279</b>	<b>54,616</b>	<b>37.8%</b>

**SELECTED FINANCIAL INFORMATION – Pharmacy and Distribution, *continued*****BALANCE SHEET**

<i>GEL thousands, unless otherwise noted</i>	<b>Dec-22</b>	<b>Sep-22</b>	<b>Change</b>	<b>Dec-21</b>	<b>Change</b>
Cash and bank deposits	75,279	63,273	19.0%	54,616	37.8%
Securities and loans issued	22,857	21,526	6.2%	20,922	9.2%
Receivables from sale of pharmaceuticals	35,631	40,663	-12.4%	59,113	-39.7%
Property and equipment	53,545	51,653	3.7%	44,020	21.6%
Right of use assets	104,264	100,254	4.0%	92,653	12.5%
Goodwill and other intangible assets	56,333	55,874	0.8%	54,453	3.5%
Inventory	219,283	200,731	9.2%	191,371	14.6%
Prepayments	7,656	8,529	-10.2%	5,186	47.6%
Other assets	2,646	2,958	-10.5%	480	NMF
<b>Total assets</b>	<b>577,494</b>	<b>545,461</b>	<b>5.9%</b>	<b>522,814</b>	<b>10.5%</b>
Borrowed Funds	131,547	131,124	0.3%	89,844	46.4%
Lease liabilities	107,455	107,110	0.3%	104,613	2.7%
Accounts payable	164,357	147,181	11.7%	166,562	-1.3%
Other liabilities	108,312	111,000	-2.4%	136,935	-20.9%
<b>Total liabilities</b>	<b>511,671</b>	<b>496,415</b>	<b>3.1%</b>	<b>497,954</b>	<b>2.8%</b>
<b>Total shareholders' equity</b>	<b>65,823</b>	<b>49,046</b>	<b>34.2%</b>	<b>24,860</b>	<b>NMF</b>

**SELECTED FINANCIAL INFORMATION – Hospitals****INCOME STATEMENT***GEL thousands, unless otherwise noted*

	4Q22	4Q21	Change	FY22	FY21	Change
<b>Revenue, gross</b>	<b>73,654</b>	<b>86,854</b>	<b>-15.2%</b>	<b>293,033</b>	<b>322,375</b>	<b>-9.1%</b>
Corrections & rebates	(1,046)	(1,510)	-30.7%	(4,288)	(4,026)	6.5%
<b>Revenue, net</b>	<b>72,608</b>	<b>85,344</b>	<b>-14.9%</b>	<b>288,745</b>	<b>318,349</b>	<b>-9.3%</b>
<b>Costs of services</b>	<b>(44,394)</b>	<b>(54,604)</b>	<b>-18.7%</b>	<b>(183,344)</b>	<b>(194,597)</b>	<b>-5.8%</b>
Cost of salaries and other employee benefits	(26,849)	(29,524)	-9.1%	(106,316)	(102,618)	3.6%
Cost of materials and supplies	(11,801)	(18,981)	-37.8%	(52,720)	(68,130)	-22.6%
Cost of medical service providers	(1,546)	(1,887)	-18.1%	(5,724)	(7,305)	-21.6%
Cost of utilities and other	(4,198)	(4,212)	-0.3%	(18,584)	(16,544)	12.3%
<b>Gross profit</b>	<b>28,214</b>	<b>30,740</b>	<b>-8.2%</b>	<b>105,401</b>	<b>123,752</b>	<b>-14.8%</b>
<b>Gross profit margin</b>	<b>38.3%</b>	<b>35.4%</b>	<b>2.9 ppts</b>	<b>36.0%</b>	<b>38.4%</b>	<b>-2.4 ppts</b>
Salaries and other employee benefits	(9,219)	(8,555)	7.8%	(37,355)	(36,016)	3.7%
General and administrative expenses	(3,744)	(3,701)	1.2%	(13,696)	(11,600)	18.1%
<i>General and administrative expenses excluding IFRS 16</i>	<i>(3,886)</i>	<i>(3,976)</i>	<i>-2.3%</i>	<i>(14,598)</i>	<i>(12,521)</i>	<i>16.6%</i>
Impairment of receivables	(1,394)	(1,292)	7.9%	(4,863)	(4,150)	17.2%
Other operating income	490	241	NMF	4,109	3,151	30.4%
<b>EBITDA</b>	<b>14,347</b>	<b>17,433</b>	<b>-17.7%</b>	<b>53,596</b>	<b>75,137</b>	<b>-28.7%</b>
<b>EBITDA excluding IFRS 16</b>	<b>14,205</b>	<b>17,158</b>	<b>-17.2%</b>	<b>52,694</b>	<b>74,216</b>	<b>-29.0%</b>
<b>EBITDA margin excluding IFRS 16</b>	<b>19.3%</b>	<b>19.8%</b>	<b>-0.5 ppts</b>	<b>18.0%</b>	<b>23.0%</b>	<b>-5.0 ppts</b>
Depreciation and amortization	(7,764)	(7,175)	8.2%	(30,493)	(26,653)	14.4%
<i>Depreciation and amortization excluding IFRS 16</i>	<i>(7,070)</i>	<i>(6,939)</i>	<i>1.9%</i>	<i>(27,937)</i>	<i>(25,812)</i>	<i>8.2%</i>
Net interest income (expense)	(5,210)	(4,982)	4.6%	(20,214)	(17,907)	12.9%
<i>Net interest income (expense) excluding IFRS 16</i>	<i>(5,127)</i>	<i>(4,938)</i>	<i>3.8%</i>	<i>(19,909)</i>	<i>(17,728)</i>	<i>12.3%</i>
Net gains/(losses) from foreign currencies	(489)	(423)	15.6%	5,150	1,179	NMF
<i>Net gains/(losses) from foreign currencies excluding IFRS 16</i>	<i>(745)</i>	<i>(444)</i>	<i>67.8%</i>	<i>4,367</i>	<i>1,046</i>	<i>NMF</i>
Net non-recurring income/(expense)	(954)	(1,002)	-4.8%	(10,325)	(5,543)	86.3%
<b>Net (loss)/profit before income tax expense</b>	<b>(70)</b>	<b>3,851</b>	<b>NMF</b>	<b>(2,286)</b>	<b>26,213</b>	<b>NMF</b>
Income tax benefit/(expense)	-	-	NMF	-	-	NMF
<b>Net (loss)/profit for the period</b>	<b>(70)</b>	<b>3,851</b>	<b>NMF</b>	<b>(2,286)</b>	<b>26,213</b>	<b>NMF</b>
<b>Attributable to:</b>						
- shareholders of the Company	(1,427)	2,594	NMF	(5,099)	23,224	NMF
- non-controlling interests	1,357	1,257	8.0%	2,813	2,989	-5.9%
<b>Net profit/(loss) for the period excluding IFRS 16</b>	<b>309</b>	<b>3,835</b>	<b>-91.9%</b>	<b>(1,110)</b>	<b>26,179</b>	<b>NMF</b>
<b>Attributable to:</b>						
- shareholders of the Company	(1,048)	2,578	NMF	(3,923)	23,190	NMF
- non-controlling interests	1,357	1,257	8.0%	2,813	2,989	-5.9%

**SELECTED FINANCIAL INFORMATION – Hospitals, continued****STATEMENT OF CASH FLOW**

<i>GEL thousands, unless otherwise noted</i>	4Q22	4Q21	Change	FY22	FY21	Change
<b>Cash flows from operating activities</b>						
Revenue received	72,730	95,163	-23.6%	292,690	309,419	-5.4%
Cost of services paid	(49,653)	(65,002)	-23.6%	(197,644)	(200,498)	-1.4%
<b>Gross profit received</b>	<b>23,077</b>	<b>30,161</b>	<b>-23.5%</b>	<b>95,046</b>	<b>108,921</b>	<b>-12.7%</b>
Salaries paid	(8,425)	(8,724)	-3.4%	(42,290)	(31,925)	32.5%
General and administrative expenses paid	(3,761)	(4,860)	-22.6%	(20,440)	(15,814)	29.3%
<i>General and administrative expenses paid, excluding IFRS 16</i>	<i>(3,903)</i>	<i>(5,135)</i>	<i>-24.0%</i>	<i>(21,342)</i>	<i>(16,735)</i>	<i>27.5%</i>
Other operating income/(expense) and tax paid	(554)	(1,024)	-45.9%	(2,650)	(3,080)	-14.0%
<b>Net cash flows from operating activities before income tax</b>	<b>10,337</b>	<b>15,553</b>	<b>-33.5%</b>	<b>29,666</b>	<b>58,102</b>	<b>-48.9%</b>
Income tax paid	(16)	(49)	-67.3%	(201)	(223)	-9.9%
<b>Net cash flows from operating activities</b>	<b>10,321</b>	<b>15,504</b>	<b>-33.4%</b>	<b>29,465</b>	<b>57,879</b>	<b>-49.1%</b>
<b>Net cash flows from operating activities, excluding IFRS 16</b>	<b>10,179</b>	<b>15,229</b>	<b>-33.2%</b>	<b>28,563</b>	<b>56,958</b>	<b>-49.9%</b>
<b>Cash flows from investing activities</b>						
Cash outflow on Capex	(11,685)	(6,440)	81.4%	(26,192)	(24,078)	8.8%
Acquisition of subsidiaries/payments of holdback	-	-	NMF	-	(12,060)	NMF
Interest income received	715	664	7.7%	2,943	5,904	-50.2%
Proceeds from sale of associate/subsidiary	-	3,406	NMF	8,721	3,406	NMF
Dividends and intersegment loans issued/received	(468)	14,019	NMF	(1,521)	45,653	NMF
<b>Net cash flow from investing activities</b>	<b>(11,438)</b>	<b>11,649</b>	<b>NMF</b>	<b>(16,049)</b>	<b>18,825</b>	<b>NMF</b>
<b>Cash flows from financing activities</b>						
Payment of dividends	-	(132)	NMF	(14,703)	(25,501)	-42.3%
Purchase of treasury shares	-	-	NMF	(821)	(6,036)	-86.4%
Payment of finance lease liabilities	(59)	(231)	-74.5%	(597)	(742)	-19.5%
Interest expense paid on finance lease	(83)	(44)	88.6%	(305)	(179)	70.4%
Increase/(decrease) in borrowings	9,453	(15,948)	NMF	4,790	(51,686)	NMF
Interest expense paid	(5,451)	(6,037)	-9.7%	(24,426)	(31,980)	-23.6%
<b>Net cash flows from financing activities</b>	<b>3,860</b>	<b>(22,392)</b>	<b>NMF</b>	<b>(36,062)</b>	<b>(116,124)</b>	<b>-68.9%</b>
<b>Net cash flows from financing activities, excluding IFRS 16</b>	<b>4,002</b>	<b>(22,117)</b>	<b>NMF</b>	<b>(35,160)</b>	<b>(115,203)</b>	<b>-69.5%</b>
Effect of exchange rates changes on cash and cash equivalents	(166)	(123)	35.0%	(1,860)	(1,841)	1.0%
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>2,577</b>	<b>4,638</b>	<b>-44.4%</b>	<b>(24,506)</b>	<b>(41,261)</b>	<b>-40.6%</b>
<b>Cash and bank deposits, beginning</b>	<b>19,048</b>	<b>41,493</b>	<b>-54.1%</b>	<b>46,131</b>	<b>87,392</b>	<b>-47.2%</b>
<b>Cash and bank deposits, ending</b>	<b>21,625</b>	<b>46,131</b>	<b>-53.1%</b>	<b>21,625</b>	<b>46,131</b>	<b>-53.1%</b>

**BALANCE SHEET**

<i>GEL thousands, unless otherwise noted</i>	Dec-22	Sep-22	Change	Dec-21	Change
Cash and bank deposits	21,625	19,048	13.5%	46,131	-53.1%
Receivables from healthcare services	88,969	91,750	-3.0%	94,065	-5.4%
Property and equipment	389,957	389,541	0.1%	403,062	-3.3%
Right of use assets	3,869	4,563	-15.2%	2,435	58.9%
Goodwill and other intangible assets	54,892	52,831	3.9%	54,728	0.3%
Inventory	19,102	19,604	-2.6%	23,869	-20.0%
Prepayments	7,069	7,043	0.4%	5,317	33.0%
Other assets	29,244	28,607	2.2%	28,464	2.7%
<i>Of which, securities and intercompany loans</i>	<i>14,040</i>	<i>12,125</i>	<i>15.8%</i>	<i>11,678</i>	<i>20.2%</i>
<b>Total assets</b>	<b>614,727</b>	<b>612,987</b>	<b>0.3%</b>	<b>658,071</b>	<b>-6.6%</b>
Borrowed Funds	213,880	203,879	4.9%	223,433	-4.3%
Accounts payable	15,900	23,086	-31.1%	33,648	-52.7%
Other liabilities	37,557	39,692	-5.4%	36,347	3.3%
<b>Total liabilities</b>	<b>267,337</b>	<b>266,657</b>	<b>0.3%</b>	<b>293,428</b>	<b>-8.9%</b>
<b>Total shareholders' equity attributable to:</b>	<b>347,390</b>	<b>346,330</b>	<b>0.3%</b>	<b>364,643</b>	<b>-4.7%</b>
Shareholders of the Company	315,958	316,243	-0.1%	335,973	-6.0%
Non-controlling interest	31,432	30,087	4.5%	28,670	9.6%

**SELECTED FINANCIAL INFORMATION – Medical Insurance****INCOME STATEMENT**

<i>GEL thousands, unless otherwise noted</i>	<b>4Q22</b>	<b>4Q21</b>	<b>Change</b>	<b>FY22</b>	<b>FY21</b>	<b>Change</b>
Gross premiums written	16,935	12,228	38.5%	80,093	71,161	12.6%
Earned premiums, gross	20,206	18,507	9.2%	75,791	72,840	4.1%
<b>Earned premiums, net</b>	<b>19,955</b>	<b>18,297</b>	<b>9.1%</b>	<b>74,840</b>	<b>72,381</b>	<b>3.4%</b>
Insurance claims expenses, gross	(16,249)	(14,954)	8.7%	(60,644)	(57,471)	5.5%
<b>Insurance claims expenses, net</b>	<b>(16,331)</b>	<b>(14,832)</b>	<b>10.1%</b>	<b>(60,588)</b>	<b>(57,409)</b>	<b>5.5%</b>
<b>Acquisition costs, net</b>	<b>(976)</b>	<b>(993)</b>	<b>-1.7%</b>	<b>(3,624)</b>	<b>(3,415)</b>	<b>6.1%</b>
<b>Net underwriting profit</b>	<b>2,648</b>	<b>2,472</b>	<b>7.1%</b>	<b>10,628</b>	<b>11,557</b>	<b>-8.0%</b>
Investment income	1,015	782	29.8%	3,779	2,930	29.0%
Net fee and commission income	33	21	57.1%	115	24	NMF
<b>Net investment profit</b>	<b>1,048</b>	<b>803</b>	<b>30.5%</b>	<b>3,894</b>	<b>2,954</b>	<b>31.8%</b>
Salaries and employee benefits	(1,487)	(1,508)	-1.4%	(5,970)	(5,769)	3.5%
Selling, general and administrative expenses	(598)	(483)	23.8%	(1,931)	(1,645)	17.4%
Depreciation & Amortisation	(578)	(377)	53.3%	(2,057)	(1,486)	38.4%
Impairment charges	(3)	(135)	-97.8%	(163)	(703)	-76.8%
Net other operating income	(26)	(31)	-16.1%	(95)	(88)	8.0%
<b>Operating profit</b>	<b>1,004</b>	<b>741</b>	<b>35.5%</b>	<b>4,306</b>	<b>4,820</b>	<b>-10.7%</b>
Foreign exchange (loss)/gain	276	177	55.9%	887	553	60.4%
Interest expense	(240)	(151)	58.9%	(1,047)	(585)	79.0%
Non-recurring expenses	-	(28)	NMF	(67)	(165)	-59.4%
<b>Pre-tax profit</b>	<b>1,040</b>	<b>739</b>	<b>40.7%</b>	<b>4,079</b>	<b>4,623</b>	<b>-11.8%</b>
Income tax expense	(164)	(146)	12.3%	(687)	(850)	-19.2%
<b>Net profit</b>	<b>876</b>	<b>593</b>	<b>47.7%</b>	<b>3,392</b>	<b>3,773</b>	<b>-10.1%</b>

**STATEMENT OF CASH FLOW**

<i>GEL thousands, unless otherwise noted</i>	<b>4Q22</b>	<b>4Q21</b>	<b>Change</b>	<b>FY22</b>	<b>FY21</b>	<b>Change</b>
Insurance premium received	20,297	19,410	4.6%	72,308	69,813	3.6%
Reinsurance premium paid	(196)	(8)	NMF	(589)	(168)	NMF
Insurance benefits and claims paid	(14,867)	(15,190)	-2.1%	(58,111)	(55,120)	5.4%
Reinsurance claims received	26	-	NMF	63	-	NMF
Acquisition costs paid	(490)	(335)	46.3%	(2,054)	(1,800)	14.1%
Salaries and benefits paid	(1,319)	(1,099)	20.0%	(5,758)	(5,902)	-2.4%
Interest received	694	746	-7.0%	2,263	2,616	-13.5%
Net other operating expenses paid	(806)	(661)	21.9%	(2,712)	(2,500)	8.5%
Income tax paid	(210)	(360)	-41.7%	(745)	(1,883)	-60.4%
<b>Net cash flows from operating activities</b>	<b>3,129</b>	<b>2,503</b>	<b>25.0%</b>	<b>4,665</b>	<b>5,056</b>	<b>-7.7%</b>
Cash outflows on capex	(350)	(179)	95.5%	(965)	(387)	NMF
Other investing activities	(1,321)	(947)	39.5%	408	978	-58.3%
<b>Net cash flows from used in investing activities</b>	<b>(1,671)</b>	<b>(1,126)</b>	<b>48.4%</b>	<b>(557)</b>	<b>591</b>	<b>NMF</b>
Dividend Paid	-	(1,050)	NMF	(1,050)	(4,197)	-75.0%
Increase/(decrease) in borrowings	-	(80)	NMF	890	(780)	NMF
Interest Paid	(305)	(488)	-37.5%	(584)	(588)	-0.7%
Cash paid for lease liabilities	(271)	(169)	60.4%	(928)	(703)	32.0%
<b>Net cash flows from financing activities</b>	<b>(576)</b>	<b>(1,787)</b>	<b>-67.8%</b>	<b>(1,672)</b>	<b>(6,268)</b>	<b>-73.3%</b>
Effect of exchange rates changes on cash and cash equivalents	(201)	(71)	NMF	(100)	(580)	-82.8%
<b>Total cash inflow/(outflow)</b>	<b>681</b>	<b>(481)</b>	<b>NMF</b>	<b>2,336</b>	<b>(1,201)</b>	<b>NMF</b>
<b>Cash and cash equivalents, beginning</b>	<b>25,555</b>	<b>24,381</b>	<b>4.8%</b>	<b>23,900</b>	<b>25,101</b>	<b>-4.8%</b>
<b>Cash and cash equivalents, ending</b>	<b>26,236</b>	<b>23,900</b>	<b>9.8%</b>	<b>26,236</b>	<b>23,900</b>	<b>9.8%</b>



**SELECTED FINANCIAL INFORMATION – Medical Insurance, *continued*****BALANCE SHEET***GEL thousands, unless otherwise noted*

	<b>Dec-22</b>	<b>Sep-22</b>	<b>Change</b>	<b>Dec-21</b>	<b>Change</b>
<b>Total assets, of which:</b>	<b>95,930</b>	<b>95,921</b>	<b>0.0%</b>	<b>78,822</b>	<b>21.7%</b>
Cash and bank deposits	26,236	25,555	2.7%	23,900	9.8%
Insurance premiums receivable	30,705	34,451	-10.9%	24,585	24.9%
Property and equipment	13,753	13,415	2.5%	13,050	5.4%
Right of use assets	6,191	5,325	16.3%	587	NMF
Goodwill and other intangible assets	5,530	5,432	1.8%	5,377	2.8%
Inventory	271	310	-12.6%	392	-30.9%
Prepayments	1,790	1,642	9.0%	1,585	12.9%
Other assets of which:	11,454	9,791	17.0%	9,346	22.6%
securities and intercompany loans	7,587	6,309	20.3%	8,133	-6.7%
<b>Total liabilities, of which:</b>	<b>60,349</b>	<b>61,311</b>	<b>-1.6%</b>	<b>46,592</b>	<b>29.5%</b>
Borrowed Funds	5,352	5,513	-2.9%	4,469	19.8%
Accounts payable	310	294	5.4%	289	7.3%
Insurance contract liabilities	36,661	39,558	-7.3%	31,725	15.6%
Other liabilities	18,026	15,946	13.0%	10,109	78.3%
<b>Total shareholders' equity</b>	<b>35,581</b>	<b>34,610</b>	<b>2.8%</b>	<b>32,230</b>	<b>10.4%</b>

## SELECTED FINANCIAL INFORMATION – Clinics & Diagnostics

INCOME STATEMENT	Clinics			Diagnostic			Eliminations		Clinics & Diagnostics		
<i>GEL thousands, unless otherwise noted</i>	4Q22	4Q21	Change	4Q22	4Q21	Change	4Q22	4Q21	4Q22	4Q21	Change
<b>Revenue, gross</b>	<b>16,720</b>	<b>20,663</b>	<b>-19.1%</b>	<b>4,253</b>	<b>8,442</b>	<b>-49.6%</b>	<b>(1,622)</b>	<b>(1,474)</b>	<b>19,351</b>	<b>27,631</b>	<b>-30.0%</b>
Corrections & rebates	(164)	(147)	11.6%	-	-	NMF	-	-	(164)	(147)	11.6%
<b>Revenue, net</b>	<b>16,556</b>	<b>20,516</b>	<b>-19.3%</b>	<b>4,253</b>	<b>8,442</b>	<b>-49.6%</b>	<b>(1,622)</b>	<b>(1,474)</b>	<b>19,187</b>	<b>27,484</b>	<b>-30.2%</b>
<b>Costs of services</b>	<b>(9,506)</b>	<b>(11,891)</b>	<b>-20.1%</b>	<b>(3,552)</b>	<b>(5,809)</b>	<b>-38.9%</b>	<b>1,622</b>	<b>1,474</b>	<b>(11,436)</b>	<b>(16,226)</b>	<b>-29.5%</b>
Cost of salaries and other employee benefits	(5,792)	(6,507)	-11.0%	(1,150)	(1,125)	2.2%	-	-	(6,942)	(7,632)	-9.0%
Cost of materials and supplies	(1,188)	(2,512)	-52.7%	(1,969)	(4,378)	-55.0%	-	-	(3,157)	(6,890)	-54.2%
Cost of medical service providers	(1,620)	(1,996)	-18.8%	(106)	(45)	NMF	1,622	1,474	(104)	(567)	-81.7%
Cost of utilities and other	(906)	(876)	3.4%	(327)	(261)	25.3%	-	-	(1,233)	(1,137)	8.4%
<b>Gross profit</b>	<b>7,050</b>	<b>8,625</b>	<b>-18.3%</b>	<b>701</b>	<b>2,633</b>	<b>-73.4%</b>	<b>-</b>	<b>-</b>	<b>7,751</b>	<b>11,258</b>	<b>-31.2%</b>
<b>Gross profit margin</b>	<b>42.2%</b>	<b>41.7%</b>	<b>+0.5ppts</b>	<b>16.5%</b>	<b>31.2%</b>	<b>-14.7ppts</b>	<b>N/A</b>	<b>N/A</b>	<b>40.1%</b>	<b>40.7%</b>	<b>-0.6ppts</b>
Salaries and other employee benefits	(3,012)	(2,963)	1.7%	(438)	(414)	5.8%	-	-	(3,450)	(3,377)	2.2%
General and administrative expenses	(1,935)	(1,905)	1.6%	(523)	(689)	-24.1%	-	-	(2,458)	(2,594)	-5.2%
<i>General and administrative expenses excluding IFRS 16</i>	<i>(2,251)</i>	<i>(2,018)</i>	<i>11.5%</i>	<i>(523)</i>	<i>(689)</i>	<i>-24.1%</i>	<i>-</i>	<i>-</i>	<i>(2,774)</i>	<i>(2,707)</i>	<i>2.5%</i>
Impairment of receivables	(76)	(107)	-29.0%	-	-	NMF	-	-	(76)	(107)	-29.0%
Other operating income	(94)	94	NMF	(24)	(25)	-4.0%	-	-	(118)	69	NMF
<b>EBITDA</b>	<b>1,933</b>	<b>3,744</b>	<b>-48.4%</b>	<b>(284)</b>	<b>1,505</b>	<b>NMF</b>	<b>-</b>	<b>-</b>	<b>1,649</b>	<b>5,249</b>	<b>-68.6%</b>
<b>EBITDA excluding IFRS 16</b>	<b>1,617</b>	<b>3,631</b>	<b>-55.5%</b>	<b>(284)</b>	<b>1,505</b>	<b>NMF</b>	<b>-</b>	<b>-</b>	<b>1,333</b>	<b>5,136</b>	<b>-74.0%</b>
<b>EBITDA margin excluding IFRS 16</b>	<b>9.7%</b>	<b>17.6%</b>	<b>-7.9ppts</b>	<b>-6.7%</b>	<b>17.8%</b>	<b>-24.5ppts</b>	<b>N/A</b>	<b>N/A</b>	<b>6.9%</b>	<b>18.6%</b>	<b>-11.7ppts</b>
Depreciation and amortization	(2,073)	(1,520)	36.4%	(197)	(182)	8.2%	-	-	(2,270)	(1,702)	33.4%
<i>Depreciation and amortization excluding IFRS 16</i>	<i>(1,770)</i>	<i>(1,556)</i>	<i>13.8%</i>	<i>(197)</i>	<i>(182)</i>	<i>8.2%</i>	<i>-</i>	<i>-</i>	<i>(1,967)</i>	<i>(1,738)</i>	<i>13.2%</i>
Net interest income (expense)	(1,492)	(1,301)	14.7%	(125)	(124)	0.8%	-	-	(1,617)	(1,425)	13.5%
<i>Net interest income (expense) excluding IFRS 16</i>	<i>(1,290)</i>	<i>(1,181)</i>	<i>9.2%</i>	<i>(125)</i>	<i>(124)</i>	<i>0.8%</i>	<i>-</i>	<i>-</i>	<i>(1,415)</i>	<i>(1,305)</i>	<i>8.4%</i>
Net gains/(losses) from foreign currencies	12	139	-91.4%	(1)	(14)	-92.9%	-	-	11	125	-91.2%
<i>Net gains/(losses) from foreign currencies excluding IFRS 16</i>	<i>(573)</i>	<i>40</i>	<i>NMF</i>	<i>(1)</i>	<i>(14)</i>	<i>-92.9%</i>	<i>-</i>	<i>-</i>	<i>(574)</i>	<i>26</i>	<i>NMF</i>
Net non-recurring income/(expense)	(1,740)	(51)	NMF	(25)	2	NMF	-	-	(1,765)	(49)	NMF
<b>Net (loss)/profit before income tax expense</b>	<b>(3,360)</b>	<b>1,011</b>	<b>NMF</b>	<b>(632)</b>	<b>1,187</b>	<b>NMF</b>	<b>-</b>	<b>-</b>	<b>(3,992)</b>	<b>2,198</b>	<b>NMF</b>
Income tax benefit/(expense)	-	-	NMF	-	-	NMF	-	-	-	-	NMF
<b>Net (loss)/profit for the period</b>	<b>(3,360)</b>	<b>1,011</b>	<b>NMF</b>	<b>(632)</b>	<b>1,187</b>	<b>NMF</b>	<b>-</b>	<b>-</b>	<b>(3,992)</b>	<b>2,198</b>	<b>NMF</b>
<b>Attributable to:</b>											
- shareholders of the Company	(3,419)	928	NMF	(632)	1,187	NMF	-	-	(4,051)	2,115	NMF
- non-controlling interests	59	83	-28.9%	-	-	NMF	-	-	59	83	-28.9%
<b>Net (loss)/profit for the period excluding IFRS 16</b>	<b>(3,756)</b>	<b>883</b>	<b>NMF</b>	<b>(632)</b>	<b>1,187</b>	<b>NMF</b>	<b>-</b>	<b>-</b>	<b>(4,388)</b>	<b>2,070</b>	<b>NMF</b>
<b>Attributable to:</b>											
- shareholders of the Company	(3,815)	800	NMF	(632)	1,187	NMF	-	-	(4,447)	1,987	NMF
- non-controlling interests	59	83	-28.9%	-	-	NMF	-	-	59	83	-28.9%

**SELECTED FINANCIAL INFORMATION – Clinics & Diagnostics, *continued***

<b>STATEMENT OF CASH FLOW</b>	<b>Clinics</b>			<b>Diagnostic</b>			<b>Eliminations</b>		<b>Clinics &amp; Diagnostics</b>		
<i>GEL thousands, unless otherwise noted</i>	<b>4Q22</b>	<b>4Q21</b>	<b>Change</b>	<b>4Q22</b>	<b>4Q21</b>	<b>Change</b>	<b>4Q22</b>	<b>4Q21</b>	<b>4Q22</b>	<b>4Q21</b>	<b>Change</b>
<b>Cash flows from operating activities</b>											
Revenue received	18,757	22,537	-16.8%	4,807	8,888	-45.9%	(2,116)	(1,544)	21,448	29,881	-28.2%
Cost of services paid	(10,687)	(11,041)	-3.2%	(2,010)	(4,283)	-53.1%	2,116	1,544	(10,581)	(13,780)	-23.2%
<b>Gross profit received</b>	<b>8,070</b>	<b>11,496</b>	<b>-29.8%</b>	<b>2,797</b>	<b>4,605</b>	<b>-39.3%</b>	-	-	<b>10,867</b>	<b>16,101</b>	<b>-32.5%</b>
Salaries paid	(2,415)	(2,392)	1.0%	(1,552)	(1,264)	22.8%	-	-	(3,967)	(3,656)	8.5%
General and administrative expenses paid	(3,074)	(2,084)	47.5%	(301)	(539)	-44.2%	-	-	(3,375)	(2,623)	28.7%
<i>General and administrative expenses paid, excluding IFRS 16</i>	<i>(3,390)</i>	<i>(2,197)</i>	<i>54.3%</i>	<i>(301)</i>	<i>(539)</i>	<i>-44.2%</i>	-	-	<i>(3,691)</i>	<i>(2,736)</i>	<i>34.9%</i>
Other operating income/(expense) and tax paid	(638)	(186)	NMF	(45)	(25)	80.0%	-	-	(683)	(211)	NMF
<b>Net cash flows from operating activities before income tax</b>	<b>1,943</b>	<b>6,834</b>	<b>-71.6%</b>	<b>899</b>	<b>2,777</b>	<b>-67.6%</b>	-	-	<b>2,842</b>	<b>9,611</b>	<b>-70.4%</b>
Income tax paid	-	-	NMF	-	-	NMF	-	-	-	-	NMF
<b>Net cash flows from operating activities</b>	<b>1,943</b>	<b>6,834</b>	<b>-71.6%</b>	<b>899</b>	<b>2,777</b>	<b>-67.6%</b>	-	-	<b>2,842</b>	<b>9,611</b>	<b>-70.4%</b>
<b>Net cash flows from operating activities, excluding IFRS 16</b>	<b>1,627</b>	<b>6,721</b>	<b>-75.8%</b>	<b>899</b>	<b>2,777</b>	<b>-67.6%</b>	-	-	<b>2,526</b>	<b>9,498</b>	<b>-73.4%</b>
<b>Cash flows from investing activities</b>											
Cash outflow on Capex	(1,149)	(3,468)	-66.9%	(36)	(280)	-87.1%	-	-	(1,185)	(3,748)	-68.4%
Interest income received	135	195	-30.8%	12	24	-50.0%	-	-	147	219	-32.9%
Dividends and intersegment loans issued/received	(195)	(868)	-77.5%	-	(756)	NMF	-	-	(195)	(1,624)	-88.0%
<b>Net cash flow from investing activities</b>	<b>(1,209)</b>	<b>(4,141)</b>	<b>-70.8%</b>	<b>(24)</b>	<b>(1,012)</b>	<b>-97.6%</b>	-	-	<b>(1,233)</b>	<b>(5,153)</b>	<b>-76.1%</b>
<b>Cash flows from financing activities</b>											
Payment of dividends	-	(75)	NMF	-	-	NMF	-	-	-	(75)	NMF
Payment of finance lease liabilities	(114)	7	NMF	-	-	NMF	-	-	(114)	7	NMF
Interest expense paid on finance lease	(202)	(120)	68.3%	-	-	NMF	-	-	(202)	(120)	68.3%
Increase/(decrease) in borrowings	5,528	(4,843)	NMF	(243)	(1,735)	-86.0%	-	-	5,285	(6,578)	NMF
Interest expense paid	(1,229)	(1,256)	-2.1%	(111)	(149)	-25.5%	-	-	(1,340)	(1,405)	-4.6%
<b>Net cash flows from financing activities</b>	<b>3,983</b>	<b>(6,287)</b>	<b>NMF</b>	<b>(354)</b>	<b>(1,884)</b>	<b>-81.2%</b>	-	-	<b>3,629</b>	<b>(8,171)</b>	<b>NMF</b>
<b>Net cash flows from financing activities, excluding IFRS 16</b>	<b>4,299</b>	<b>(6,174)</b>	<b>NMF</b>	<b>(354)</b>	<b>(1,884)</b>	<b>-81.2%</b>	-	-	<b>3,945</b>	<b>(8,058)</b>	<b>NMF</b>
Effect of exchange rates changes on cash and cash equivalents	(2)	13	NMF	1	(1)	NMF	-	-	(1)	12	NMF
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>4,715</b>	<b>(3,581)</b>	<b>NMF</b>	<b>522</b>	<b>(120)</b>	<b>NMF</b>	-	-	<b>5,237</b>	<b>(3,701)</b>	<b>NMF</b>
<b>Cash and bank deposits, beginning</b>	<b>1,110</b>	<b>6,730</b>	<b>-83.5%</b>	<b>619</b>	<b>3,263</b>	<b>-81.0%</b>	-	-	<b>1,729</b>	<b>9,993</b>	<b>-82.7%</b>
<b>Cash and bank deposits, ending</b>	<b>5,825</b>	<b>3,149</b>	<b>84.9%</b>	<b>1,141</b>	<b>3,143</b>	<b>-63.7%</b>	-	-	<b>6,966</b>	<b>6,292</b>	<b>10.7%</b>

## SELECTED FINANCIAL INFORMATION – Clinics & Diagnostics, *continued*

STATEMENT OF CASH FLOW	Clinics			Diagnostic			Eliminations		Clinics & Diagnostics		
<i>GEL thousands, unless otherwise noted</i>	FY22	FY21	Change	FY22	FY21	Change	FY22	FY21	FY22	FY21	Change
<b>Cash flows from operating activities</b>											
Revenue received	64,533	66,184	-2.5%	20,857	28,323	-26.4%	(5,500)	(5,072)	79,890	89,435	-10.7%
Cost of services paid	(37,986)	(34,924)	8.8%	(11,232)	(16,828)	-33.3%	5,500	5,072	(43,718)	(46,680)	-6.3%
<b>Gross profit received</b>	<b>26,547</b>	<b>31,260</b>	<b>-15.1%</b>	<b>9,625</b>	<b>11,495</b>	<b>-16.3%</b>	-	-	<b>36,172</b>	<b>42,755</b>	<b>-15.4%</b>
Salaries paid	(9,845)	(8,492)	15.9%	(7,635)	(3,945)	93.5%	-	-	(17,480)	(12,437)	40.5%
General and administrative expenses paid	(6,962)	(5,634)	23.6%	(1,783)	(1,659)	7.5%	-	-	(8,745)	(7,293)	19.9%
<i>General and administrative expenses paid, excluding IFRS 16</i>	<i>(8,255)</i>	<i>(6,593)</i>	<i>25.2%</i>	<i>(1,783)</i>	<i>(1,659)</i>	<i>7.5%</i>	-	-	<i>(10,038)</i>	<i>(8,252)</i>	<i>21.6%</i>
Other operating income/(expense) and tax paid	(1,429)	(565)	NMF	(160)	(75)	NMF	-	-	(1,589)	(640)	NMF
<b>Net cash flows from operating activities before income tax</b>	<b>8,311</b>	<b>16,569</b>	<b>-49.8%</b>	<b>47</b>	<b>5,816</b>	<b>-99.2%</b>	-	-	<b>8,358</b>	<b>22,385</b>	<b>-62.7%</b>
Income tax paid	(20)	(3)	NMF	-	-	NMF	-	-	(20)	(3)	NMF
<b>Net cash flows from operating activities</b>	<b>8,291</b>	<b>16,566</b>	<b>-50.0%</b>	<b>47</b>	<b>5,816</b>	<b>-99.2%</b>	-	-	<b>8,338</b>	<b>22,382</b>	<b>-62.7%</b>
<b>Net cash flows from operating activities, excluding IFRS 16</b>	<b>6,998</b>	<b>15,607</b>	<b>-55.2%</b>	<b>47</b>	<b>5,816</b>	<b>-99.2%</b>	-	-	<b>7,045</b>	<b>21,423</b>	<b>-67.1%</b>
<b>Cash flows from investing activities</b>											
Cash outflow on Capex	(8,492)	(8,048)	5.5%	(775)	(1,268)	-38.9%	-	-	(9,267)	(9,316)	-0.5%
Interest income received	502	565	-11.2%	62	106	-41.5%	-	-	564	671	-15.9%
Dividends and intersegment loans issued/received	(646)	(979)	-34.0%	-	(1,506)	NMF	-	-	(646)	(2,485)	-74.0%
<b>Net cash flow from investing activities</b>	<b>(8,636)</b>	<b>(8,462)</b>	<b>2.1%</b>	<b>(713)</b>	<b>(2,668)</b>	<b>-73.3%</b>	-	-	<b>(9,349)</b>	<b>(11,130)</b>	<b>-16.0%</b>
<b>Cash flows from financing activities</b>											
Payment of dividends	-	(275)	NMF	-	-	NMF	-	-	-	(275)	NMF
Payment of finance lease liabilities	(578)	(457)	26.5%	-	-	NMF	-	-	(578)	(457)	26.5%
Interest expense paid on finance lease	(715)	(502)	42.4%	-	-	NMF	-	-	(715)	(502)	42.4%
Increase/(decrease) in borrowings	10,053	(414)	NMF	(917)	(3,116)	-70.6%	-	-	9,136	(3,530)	NMF
Interest expense paid	(5,724)	(5,737)	-0.2%	(419)	(778)	-46.1%	-	-	(6,143)	(6,515)	-5.7%
<b>Net cash flows from financing activities</b>	<b>3,036</b>	<b>(7,385)</b>	<b>NMF</b>	<b>(1,336)</b>	<b>(3,894)</b>	<b>-65.7%</b>	-	-	<b>1,700</b>	<b>(11,279)</b>	<b>NMF</b>
<b>Net cash flows from financing activities, excluding IFRS 16</b>	<b>4,329</b>	<b>(6,426)</b>	<b>NMF</b>	<b>(1,336)</b>	<b>(3,894)</b>	<b>-65.7%</b>	-	-	<b>2,993</b>	<b>(10,320)</b>	<b>NMF</b>
Effect of exchange rates changes on cash and cash equivalents	(15)	(16)	-6.3%	-	(7)	NMF	-	-	(15)	(23)	-37.5%
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>2,676</b>	<b>703</b>	<b>NMF</b>	<b>(2,002)</b>	<b>(753)</b>	<b>NMF</b>	-	-	<b>674</b>	<b>(50)</b>	<b>NMF</b>
<b>Cash and bank deposits, beginning</b>	<b>3,149</b>	<b>2,446</b>	<b>28.7%</b>	<b>3,143</b>	<b>3,896</b>	<b>-19.3%</b>	-	-	<b>6,292</b>	<b>6,342</b>	<b>-0.8%</b>
<b>Cash and bank deposits, ending</b>	<b>5,825</b>	<b>3,149</b>	<b>84.9%</b>	<b>1,141</b>	<b>3,143</b>	<b>-63.7%</b>	-	-	<b>6,966</b>	<b>6,292</b>	<b>10.7%</b>

**SELECTED FINANCIAL INFORMATION – Clinics & Diagnostics, *continued***

<b>BALANCE SHEET</b>	<b>Clinics</b>					<b>Diagnostic</b>					<b>Eliminations</b>			<b>Clinics &amp; Diagnostics</b>				
<i>GEL thousands, unless otherwise noted</i>	<b>Dec-22</b>	<b>Sep-22</b>	<b>Change</b>	<b>Dec-21</b>	<b>Change</b>	<b>Dec-22</b>	<b>Sep-22</b>	<b>Change</b>	<b>Dec-21</b>	<b>Change</b>	<b>Dec-22</b>	<b>Sep-22</b>	<b>Dec-21</b>	<b>Dec-22</b>	<b>Sep-22</b>	<b>Change</b>	<b>Dec-21</b>	<b>Change</b>
Cash and bank deposits	5,825	1,110	NMF	3,149	85.0%	1,141	619	84.3%	3,143	-63.7%	-	-	-	6,966	1,729	NMF	6,292	10.7%
Receivables from healthcare services	11,495	14,485	-20.6%	11,803	-2.6%	5,079	5,800	-12.4%	7,640	-33.5%	(1,502)	(2,028)	(1,640)	15,072	18,257	-17.4%	17,803	-15.3%
Property and equipment	102,904	103,220	-0.3%	100,472	2.4%	16,049	16,157	-0.7%	16,409	-2.2%	-	-	-	118,953	119,377	-0.4%	116,881	1.8%
Right of use assets	12,593	13,176	-4.4%	5,457	NMF	-	-	NMF	-	NMF	-	-	-	12,593	13,176	-4.4%	5,457	NMF
Goodwill and other intangible assets	14,291	14,338	-0.3%	13,394	6.7%	2,847	2,858	-0.4%	2,582	10.3%	-	-	-	17,138	17,196	-0.3%	15,976	7.3%
Inventory	2,022	2,142	-5.6%	3,491	-42.1%	1,456	1,942	-25.0%	1,635	-10.9%	-	-	-	3,478	4,084	-14.8%	5,126	-32.1%
Prepayments	2,075	1,760	17.9%	1,242	67.1%	4,543	939	NMF	931	NMF	-	-	-	6,618	2,699	NMF	2,173	NMF
Other assets	9,486	9,451	0.4%	8,360	13.5%	760	759	0.1%	772	-1.6%	(297)	(267)	(248)	9,949	9,943	0.1%	8,884	12.0%
<i>Of which, securities and intercompany loans</i>	3,379	3,759	-10.1%	3,947	-14.4%	-	-	NMF	-	NMF	(272)	(266)	(248)	3,107	3,493	-11.1%	3,699	-16.0%
<b>Total assets</b>	<b>160,691</b>	<b>159,682</b>	<b>0.6%</b>	<b>147,368</b>	<b>9.0%</b>	<b>31,875</b>	<b>29,074</b>	<b>9.6%</b>	<b>33,112</b>	<b>-3.7%</b>	<b>(1,799)</b>	<b>(2,295)</b>	<b>(1,888)</b>	<b>190,767</b>	<b>186,461</b>	<b>2.3%</b>	<b>178,592</b>	<b>6.8%</b>
Borrowed Funds	56,908	50,818	12.0%	46,417	22.6%	4,196	4,038	3.9%	4,687	-10.5%	(272)	(263)	(250)	60,832	54,593	11.4%	50,854	19.6%
Accounts payable	11,782	12,218	-3.6%	11,963	-1.5%	7,424	4,054	83.1%	6,383	16.3%	(1,527)	(2,032)	(1,638)	17,679	14,240	24.2%	16,708	5.8%
Other liabilities	14,841	16,477	-9.9%	11,007	34.8%	1,033	1,128	-8.4%	2,044	-49.5%	401	401	-	16,275	18,006	-9.6%	13,051	24.7%
<b>Total liabilities</b>	<b>83,531</b>	<b>79,513</b>	<b>5.1%</b>	<b>69,387</b>	<b>20.4%</b>	<b>12,653</b>	<b>9,220</b>	<b>37.2%</b>	<b>13,114</b>	<b>-3.5%</b>	<b>(1,398)</b>	<b>(1,894)</b>	<b>(1,888)</b>	<b>94,786</b>	<b>86,839</b>	<b>9.2%</b>	<b>80,613</b>	<b>17.6%</b>
<b>Total shareholders' equity attributable to:</b>	<b>77,160</b>	<b>80,169</b>	<b>-3.8%</b>	<b>77,981</b>	<b>-1.1%</b>	<b>19,222</b>	<b>19,854</b>	<b>-3.2%</b>	<b>19,998</b>	<b>-3.9%</b>	<b>(401)</b>	<b>(401)</b>	<b>-</b>	<b>95,981</b>	<b>99,622</b>	<b>-3.7%</b>	<b>97,979</b>	<b>-2.0%</b>
Shareholders of the Company	76,281	79,361	-3.9%	77,372	-1.4%	19,222	19,854	-3.2%	19,998	-3.9%	(401)	(401)	-	95,102	98,814	-3.8%	97,370	-2.3%
Non-controlling interest	879	808	8.8%	609	44.3%	-	-	NMF	-	NMF	-	-	-	879	808	8.8%	609	44.3%

## Selected ratios and KPIs

Selected ratios and KPIs	4Q22	4Q21	Change	FY22	FY21	Change
<b>GHG</b>						
ROIC (%)	11.3%	16.5%	-5.2ppts	11.8%	16.2%	-4.4ppts
Group rent expenditure	9,147	8,501	7.6%	36,044	32,926	9.5%
<i>of which, Pharma</i>	8,210	7,929	3.5%	32,597	30,340	7.4%
Group capex (maintenance)	4,205	4,656	-9.7%	17,029	16,061	6.0%
Group capex (growth)	12,694	9,313	36.3%	40,288	31,988	25.9%
Number of employees	15,487	15,767		15,487	15,767	
Number of physicians	3,386	3,314		3,386	3,314	
Number of nurses	3,061	3,227		3,061	3,227	
Nurse to doctor ratio, referral hospitals	0.90	0.97		0.90	0.97	
Number of pharmacists	2,843	2,965		2,843	2,965	
<b>Hospitals</b>	<b>4Q22</b>	<b>4Q21</b>	<b>Change</b>	<b>FY22</b>	<b>FY21</b>	<b>Change</b>
EBITDA margin of Hospitals excl. IFRS 16	19.3%	19.8%	-0.5ppts	18.0%	23.0%	-5.0ppts
Direct salary rate (direct salary as % of revenue)	36.5%	34.0%	2.5ppts	36.3%	31.8%	4.5ppts
Materials rate (direct materials as % of revenue)	16.0%	21.9%	-5.9ppts	18.0%	21.1%	-3.1ppts
Administrative salary rate (administrative salaries as % of revenue)	12.5%	9.8%	2.7ppts	12.7%	11.2%	1.5ppts
SG&A rate (SG&A expenses as % of revenue)	5.3%	4.6%	0.7ppts	5.0%	3.9%	1.1ppts
Number of hospitals	16	17		16	17	
Number of referral hospital beds	2,524	2,596		2,524	2,596	
Bed occupancy rate	52.0%	69.6%	-17.6ppts	54.3%	65.3%	-11.0ppts
Bed occupancy rate, excluding Tbilisi Referral Hospital and Regional Hospital beds	51.1%	71.9%	-20.8ppts	55.4%	67.4%	-12.0ppts
Bed occupancy rate, Regional Hospital beds	61.9%	62.1%	-0.2ppts	59.4%	54.4%	5.0ppts
Bed occupancy rate, Tbilisi Referral Hospital beds	48.6%	61.7%	-13.1ppts	43.1%	61.2%	-18.1ppts
Average length of stay (days)	5.0	5.7	-13.2%	5.1	5.7	-9.8%
Average revenue per hospital bed	116.7	133.8	-12.8%	115.3	124.2	-7.2%
<b>Clinics</b>	<b>4Q22</b>	<b>4Q21</b>	<b>Change</b>	<b>FY22</b>	<b>FY21</b>	<b>Change</b>
EBITDA margin of clinics excluding IFRS 16	9.7%	17.7%	-8.0ppts	13.5%	19.9%	-6.4ppts
EBITDA margin of polyclinics excluding IFRS 16	9.5%	18.0%	-8.5ppts	14.8%	20.7%	-5.9ppts
Direct salary rate (direct salary as % of revenue)	34.6%	31.5%	3.1ppts	34.9%	29.9%	5.0ppts
Materials rate (direct materials as % of revenue)	7.1%	12.2%	-5.1ppts	8.6%	10.6%	-2.0ppts
Number of community clinics	19	19		19	19	
Number of community clinics beds	353	353		353	353	
Number of polyclinics	17	15		17	15	
<b>Pharmacy and distribution</b>	<b>4Q22</b>	<b>4Q21</b>	<b>Change</b>	<b>FY22</b>	<b>FY21</b>	<b>Change</b>
EBITDA margin excluding IFRS 16[27]	9.8%	10.4%	-0.6ppts	9.7%	9.7%	0.0ppts
Number of bills issued in mln	8.5	8.0	6.3%	31.0	29.0	6.9%
Average bill size	18.7	19.9	-6.0%	19.0	18.9	0.5%
Revenue from wholesale as a percentage of total revenue from pharma	19.7%	22.4%	-2.7ppts	21.4%	25.4%	-4.0ppts
Revenue from retail as a percentage of total revenue from pharma	80.3%	77.6%	2.7ppts	78.6%	74.6%	4.0ppts
Revenue from para-pharmacy as a percentage of retail revenue from pharma	38.6%	36.4%	2.2ppts	36.5%	35.3%	1.2ppts
Number of pharmacies	362	344	5.2%	362	344	5.2%
<b>Medical insurance</b>	<b>4Q22</b>	<b>4Q21</b>	<b>Change</b>	<b>FY22</b>	<b>FY21</b>	<b>Change</b>
Loss ratio	81.8%	81.1%	0.7ppts	81.0%	79.3%	1.7ppts
Expense ratio, <i>of which:</i>	18.2%	19.2%	-1.0ppts	18.3%	18.1%	0.2ppts
<i>Commission ratio</i>	4.9%	5.4%	-0.5ppts	4.8%	4.7%	0.1ppts
Combined ratio	100.0%	100.3%	-0.3ppts	99.3%	97.4%	1.9ppts
Renewal rate	83.9%	77.1%	6.8ppts	77.4%	78.0%	-0.6ppts
<b>Diagnostics</b>	<b>4Q22</b>	<b>4Q21</b>	<b>Change</b>	<b>FY22</b>	<b>FY21</b>	<b>Change</b>
EBITDA margin excluding IFRS 16	NMF	17.8%	NMF	3.3%	23.8%	-20.5ppts
Number of patients served ('000)	212	356	-40.4%	981	1,201	-18.3
Number of tests performed ('000)	627	723	-13.3%	2,426	2,567	-5.5%
Average revenue per test GEL	7.1	11.7	-39.3%	8.4	11.9	-29.4%
Average number of tests per patient	2.8	2.0	40.0%	2.5	2.1	19.0%