



**GEORGIA
HEALTHCARE
GROUP**

Fourth quarter and full year of 2024 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 | 4Q23 and FY23 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 of 2024 consolidated financial results. Unless otherwise mentioned, comparatives are for the fourth quarter and full year of 2023. 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 97.6% equity interest, is the largest pharmaceuticals retailer and wholesaler in Georgia, with a 32% market share based on the 2022 revenues. 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 412 pharmacies (of which 397 are in Georgia and 15 in Armenia) and 23 franchise stores (of which, two are in Armenia and four in Azerbaijan).

4Q23 & FY23 performance (GEL '000), Retail (pharmacy)¹

(Unaudited)

INCOME STATEMENT HIGHLIGHTS

	4Q23	4Q22	Change	FY23	FY22	Change
Revenue, net	223,548	209,182	6.9%	823,692	789,893	4.3%
Of which, retail	177,767	167,921	5.9%	653,960	620,936	5.3%
Of which, wholesale	45,781	41,261	11.0%	169,732	168,957	0.5%
Gross Profit	63,245	59,967	5.5%	244,322	231,270	5.6%
Gross profit margin	28.3%	28.7%	-0.4 ppts	29.7%	29.3%	0.4 ppts
Operating expenses (ex. IFRS 16)	(47,228)	(39,564)	19.4%	(166,979)	(154,343)	8.2%
EBITDA (ex. IFRS 16)	16,017	20,403	-21.5%	77,343	76,927	0.5%
EBITDA margin, (ex. IFRS 16)	7.2%	9.8%	-2.6 ppts	9.4%	9.7%	-0.3 ppts
Net profit (ex. IFRS 16)	646	7,400	-91.3%	46,364	58,605	-20.9%

CASH FLOW HIGHLIGHTS

Cash flow from operating activities (ex. IFRS 16)	34,210	22,619	51.2%	52,361	77,099	-32.1%
EBITDA to cash conversion	213.6%	110.9%	102.7 ppts	67.7%	100.2%	-32.5 ppts
Cash flow used in investing activities²	(11,335)	(3,808)	NMF	(84,130)	(58,367)	44.1%
Free cash flow, (ex. IFRS 16)³	20,647	18,938	9.0%	(56,130)	15,016	NMF
Cash flow from financing activities (ex. IFRS 16)	3,126	(6,716)	NMF	17,686	3,392	NMF

BALANCE SHEET HIGHLIGHTS

	31-Dec-23	30-Sep-23	Change	31-Dec-22	Change
Total assets	631,968	580,104	8.9%	576,060	9.7%
Of which, cash and bank deposits	60,383	34,426	75.4%	75,279	-19.8%
Of which, securities and loans issued	2,623	4,578	-42.7%	22,857	-88.5%
Total liabilities	597,611	544,160	9.8%	515,081	16.0%
Of which, borrowings	228,261	216,232	5.6%	131,547	73.5%
Of which, lease liabilities	151,916	136,836	11.0%	107,455	41.4%
Total equity	34,357	35,944	-4.4%	60,979	-43.7%

INCOME STATEMENT HIGHLIGHTS

- The y-o-y increase in retail revenues in 4Q23 and FY23 was driven by a combination of factors:
 - The expansion of the pharmacy chain and franchise stores - the business added 18 pharmacies and 10 franchise stores over the last quarter (40 pharmacies and 11 franchise stores over the last 12 months).
 - Increased focus on higher margin para-pharmacy product sales - the para-pharmacy revenue as a percentage of retail revenue increased from 38.6% in 4Q22 to 40.0% in 4Q23 (up from 36.5% in FY22 to 39.7% in FY23).
 - Overall economic growth in Georgia.
 - The revenue growth was partially subdued by a) implementation of the External Reference Pricing model, which sets a maximum retail price for state-financed prescription medicines. The list of regulated products was further expanded in 4Q23 (detailed in other valuation drivers and operating highlight section below) and b) a decrease in product prices due to the appreciation of GEL against foreign currencies (as approximately 70% of inventory purchases are denominated in foreign currencies).
- The 4Q23 wholesale revenue growth is attributable to the new high-margin contracts signed during the quarter, which more than offset the negative impact of the government regulations, introduced in 2023.
- The increase in operating expenses in 4Q23 reflects increased rent and salary expenses in line with the substantial expansion of the pharmacy chain and franchise stores during the quarter. This also translated into the temporarily subdued EBITDA margin (excluding IFRS 16) of 7.2% in 4Q23. Overall, in FY23 the business maintained the EBITDA margin (excluding IFRS 16) at 9.4%, above the targeted threshold of 9%.
- The significant y-o-y increase in interest expense (excluding IFRS 16) in 4Q23 and FY23 is due to the higher average net debt balance, as explained below.
- The developments described above translated into an 91.3% y-o-y decrease in 4Q23 net profit (excluding IFRS 16) (down 20.9% y-o-y in FY23).

¹ The detailed IFRS financial statements are included in supplementary excel file, available at <https://georgiacapital.ge/ir/financial-results>.

² Of which – cash outflow on capex of GEL 13.6 million in 4Q23 and GEL 34.0 million in FY23 (GEL 3.7 million in 4Q22 and GEL 20.9 million in FY22); cash outflow on minority acquisition; proceeds from sale of PPE of GEL 14.6 million in FY23 (none in 4Q23, 4Q22 and in FY22).

³ Calculated by deducting capex and minority acquisition from operating cash flows and adding proceeds from sale of PPE.

CASH FLOW AND BALANCE SHEET HIGHLIGHTS

- The net debt balance was down to GEL 165.3 million as at 31-Dec-23, from GEL 177.2 million at 30-Sep-23, mainly reflecting robust cash flow generation in 4Q23. The net debt balance was up by GEL 131.8 million from 31-Dec-22, further reflecting increased borrowings that partially financed the minority buyout transaction in June 2023.
- In 4Q23, the business sold a significant portion of its stocked-up inventory, resulting in a 213.6% EBITDA-to-cash conversion ratio. The ratio was at 67.7% in FY23, reflecting the business's strategy of making advance payments to key vendors to secure substantial supplier discounts for high-volume inventory purchases.
- GEL 50.9 million dividends were paid to GCAP in FY23.

OTHER VALUATION DRIVERS AND OPERATING HIGHLIGHTS

- Effective from 2023, the Government introduced two new **quality regulations**: i) Good Manufacturing Practice ("GMP") and ii) Good Distribution Practice ("GDP"). These regulations establish the minimum standards that medicine distributors must meet to ensure the quality and integrity of medicines throughout the supply chain. Compliance with GMP and GDP ensures that medicines are consistently stored under the appropriate conditions, including during transportation, to prevent contamination. The implementation of the new standards resulted in the closure of several of our partner small pharmacies, leading to a reduction in revenues and gross profit. In 4Q23 and FY23, the wholesale business revenue was affected by GEL 4.0 million and GEL 21.4 million, respectively, while the effect on gross profit was GEL 0.9 million in 4Q23 and GEL 5.0 million in FY23. To meet the requirements the business incurred additional CAPEX of GEL c.4.0 million in FY23.
- In November 2023, the state announced the third wave of **price regulations** under the External Reference Pricing model, affecting both prescription and non-prescription medicine. The new prices, aligned with these latest regulations, took effect from January 2024. Overall, the anticipated impact of these price regulations on the 2024-year EBITDA is estimated at negative GEL 8.0 million. In response to these regulatory challenges, the business's strategic focus lies in the optimisation of the chain and increasing the share of para-pharmacy products in sales, which remain unaffected by regulations.
- In December 2023, the Georgian National Competition Agency (the "Agency") imposed fines on four companies in the Georgian pharmaceutical retailers' sector, including GCAP's retail (pharmacy) business, for alleged anti-competitive actions related to price quotations on certain prescription medicines funded under the state programme. The penalty amount assessed by the Agency on our retail (pharmacy) business is GEL 20.0 million derived by utilising the single rate across all the alleged participants. We have since appealed the Agency's decision in court and plan to vigorously defend our position.

- The number of pharmacies and franchise stores is provided below:

<i>(Unaudited)</i>	Dec-23	Sep-23	Change (q-o-q)	Dec-22	Change (y-o-y)
Number of pharmacies	412	394	18	372	40
<i>Of which, Georgia</i>	<i>397</i>	<i>381</i>	<i>16</i>	<i>362</i>	<i>35</i>
<i>Of which, Armenia</i>	<i>15</i>	<i>13</i>	<i>2</i>	<i>10</i>	<i>5</i>
Number of franchise stores	23	13	10	12	11
<i>Of which, Georgia</i>	<i>17</i>	<i>7</i>	<i>10</i>	<i>8</i>	<i>9</i>
<i>Of which, Armenia</i>	<i>2</i>	<i>2</i>	<i>-</i>	<i>2</i>	<i>-</i>
<i>Of which, Azerbaijan</i>	<i>4</i>	<i>4</i>	<i>-</i>	<i>2</i>	<i>2</i>

- Retail (Pharmacy)'s key operating performance highlights for 4Q23 and FY23 are noted below:

Key metrics (unaudited)	4Q23	4Q22	Change	FY23	FY22	Change
<i>Same store revenue growth</i>	<i>-1.0%</i>	<i>-8.7%</i>	<i>7.7 ppts</i>	<i>0.4%</i>	<i>-0.8%</i>	<i>1.2 ppts</i>
<i>Number of bills issued (mln)</i>	<i>8.2</i>	<i>8.5</i>	<i>-3.8%</i>	<i>31.3</i>	<i>31.0</i>	<i>0.8%</i>
<i>Average bill size (GEL)</i>	<i>20.6</i>	<i>18.7</i>	<i>10.1%</i>	<i>19.8</i>	<i>19.0</i>	<i>4.5%</i>

Discussion of Hospitals Business Results⁴

The hospitals business, where GCAP owns a 100% equity, is the largest healthcare market participant in Georgia, comprised of 7 Large and Specialty Hospitals, providing secondary and tertiary level healthcare services across Georgia and 27 Regional and Community Hospitals, providing outpatient and basic inpatient services.

4Q23 & FY23 performance (GEL '000), Hospitals⁵

(Unaudited)

INCOME STATEMENT HIGHLIGHTS

	4Q23	4Q22	Change	FY23	FY22	Change
Revenue, net ⁶	77,638	78,721	-1.4%	313,748	313,407	0.1%
Gross Profit	23,046	30,906	-25.4%	104,616	114,460	-8.6%
Gross profit margin	28.9%	38.7%	-9.8 ppts	32.8%	36.0%	-3.2 ppts
Operating expenses (ex. IFRS 16)	(15,138)	(15,409)	-1.8%	(58,487)	(57,704)	1.4%
EBITDA (ex. IFRS 16)	7,908	15,497	-49.0%	46,129	56,756	-18.7%
EBITDA margin (ex. IFRS 16)	9.9%	19.4%	-9.5 ppts	14.5%	17.8%	-3.3 ppts
Net (loss) (ex. IFRS 16) ⁷	(27,322)	(3,127)	NMF	(36,615)	(1,566)	NMF

CASH FLOW HIGHLIGHTS

Cash flow used in operating activities (ex. IFRS 16)	(3,697)	11,717	NMF	10,621	31,730	-66.5%
EBITDA to cash conversion (ex. IFRS 16)	-46.8%	75.6%	NMF	23.0%	55.9%	-32.9 ppts
Cash flow used in investing activities ⁸	(13,031)	(11,626)	12.1%	(44,746)	(17,443)	NMF
Free cash flow (ex. IFRS 16) ⁹	(17,226)	(135)	NMF	(35,069)	12,855	NMF
Cash flow from financing activities (ex. IFRS 16)	26,066	4,542	NMF	22,362	(35,786)	NMF

BALANCE SHEET HIGHLIGHTS

	31-Dec-23	30-Sep-23	Change	31-Dec-22	Change
Total assets	707,614	679,183	4.2%	680,355	4.0%
Of which, cash balance and bank deposits	9,753	1,845	NMF	23,557	-58.6%
Of which, securities and loans issued	9,557	8,990	6.3%	14,040	-31.9%
Total liabilities	357,658	306,921	16.5%	293,983	21.7%
Of which, borrowings	281,352	246,182	14.3%	227,960	23.4%
Total equity	349,956	372,262	-6.0%	386,372	-9.4%

The 4Q23 and FY23 performance of the hospitals business reflects the temporary impact of the recently introduced facility regulation rules, implemented to address the oversupply of beds and enhance the quality of the healthcare industry in the country. This regulation, which became effective from September 2023, established upgraded standards for healthcare facilities and imposed minimum requirements for space allotted per hospital bed. In order to adapt to the new standards, our hospitals business initiated a number of renovation projects in all of its facilities. This resulted in certain sections of our healthcare facilities being temporarily closed and unable to accept patients. Most renovation works took place throughout the second half of 2023, with most of the work being completed by the end of November. The CAPEX investment for the renovation projects amounted to GEL 11.3 million in 2023. The negative annualised impact of increased expenses that will result from additional requirements is estimated at GEL c.4.0 million. This new regulation is expected to enhance the quality of healthcare services in Georgia, which we believe will offer an opportunity to build on the competitive advantage of our high-quality healthcare businesses in the medium to long term.

To capture emerging opportunities in the healthcare sector and enhance operational efficiencies, our healthcare businesses underwent strategic restructuring. The hospitals business was split into two distinct segments: "Large and Specialty Hospitals" and "Regional and Community Hospitals". The Regional and Community Hospitals now also incorporate the community clinics that were previously managed and presented as part of the clinics and diagnostics business. For our patients, the transition was seamless and business operations continued uninterrupted. A new CEO from a local competitor joined the Regional and Community Hospitals business in December to focus on the service and efficiency from this group of hospitals. The existing hospitals' team continued to manage the Large and Specialty Hospitals business and lead their continued growth while enhancing profitability margins.

⁴ The numbers were adjusted retrospectively to account for the recent strategic reorganisation in the healthcare businesses.

⁵ The detailed IFRS financial statements are included in supplementary excel file, available at <https://georgiacapital.ge/ir/financial-results>.

⁶ Net revenue – Gross revenue less corrections and rebates. Margins are calculated from gross revenue.

⁷ FY22 figure is adjusted for a GEL 2.7 million loss from the sale of the Traumatology Hospital.

⁸ Of which - capex of GEL 14.1 million in 4Q23 (GEL 11.9 million in 4Q22) and GEL 48.5 million in FY23 (GEL 27.6 million in FY22).

⁹ Operating cash flows less capex, plus net proceeds on sale of PPE.

INCOME STATEMENT HIGHLIGHTS

- In FY23, the Large and Specialty Hospitals and Regional and Community Hospitals represent approximately 65% and 35%, respectively, of the consolidated hospitals business revenue.

Total revenue breakdown (unaudited)	4Q23	4Q22	Change	FY23	FY22	Change
Total revenue, net	77,638	78,721	-1.4%	313,748	313,407	0.1%
<i>Of which, Large and Specialty Hospitals</i>	51,992	49,349	5.4%	204,690	198,883	2.9%
<i>Of which, Regional and Community Hospitals</i>	25,966	29,733	-12.7%	110,551	115,768	-4.5%
<i>Of which, Inter-business eliminations</i>	(319)	(361)	-11.6%	(1,494)	(1,244)	20.0%

- The 4Q23 revenue of Large and Specialty Hospitals was up by 5.4% y-o-y. This growth reflects the resilience of the business and its ability to offer a diversified range of services, partially offsetting the impact of the new facility regulations. The relatively modest 2.9% y-o-y increase in FY23 revenue further reflects the following factors:
 - The suspension of COVID contracts by the Government in mid-March 2022.
 - Temporary closure of Iashvili Paediatric Tertiary Referral Hospital ("Iashvili Hospital), the largest paediatric services provider in the country, due to mandatory regulatory-related renovation works. The works commenced in October 2022 and were completed in March 2023.
 - The absence of revenues from the Traumatology Hospital, which was divested in April 2022.
- Our Regional and Community Hospitals primarily concentrate on delivering outpatient and basic inpatient services, which are relatively more limited in scope than the services provided by our Large and Specialty Hospitals. Therefore, the introduction of the new facility regulations had a more pronounced impact on this group of hospitals in terms of revenue growth (down 12.7% and 4.5% y-o-y in 4Q23 and FY23, 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 rates¹⁰.
 - The direct salary rates were up 6.1 ppts to 42.4% y-o-y in 4Q23 and up 3.2 ppts y-o-y to 39.6% in FY23, mainly attributable to increased minimum salary rates for medical staff.
 - The materials rate was up 2.4 ppts y-o-y to 18.1% in 4Q23 and down 0.5 ppts y-o-y to 17.2% for the FY23.
 - Utilities and other costs were down y-o-y by 0.5% in 4Q23 and up 4.5% in FY23, resulting from overall inflation.
- Operating expenses, mainly comprising administrative salaries and other employee benefits and general and administrative expenses (excl. IFRS 16), were largely flat (down by 1.8% y-o-y in 4Q23 and up 1.4% y-o-y in FY23).
- The developments described above translated into 49.0% and 18.7% y-o-y decrease in EBITDA (excluding IFRS 16) in 4Q23 and FY23, respectively.

Total EBITDA (excl. IFRS 16), breakdown (unaudited)	4Q23	4Q22	Change	FY23	FY22	Change
Total EBITDA (excl. IFRS 16)	7,908	15,497	-49.0%	46,129	56,756	-18.7%
<i>Of which, Large and Specialty Hospitals</i>	6,587	9,457	-30.3%	34,339	35,915	-4.4%
<i>Of which, Regional and Community Hospitals</i>	1,319	6,038	-78.1%	11,790	20,842	-43.4%

- Net interest expense (excluding IFRS 16) was up by 31.1% in 4Q23 and up 36.3% in FY23, y-o-y, reflecting the increased net debt balance (as described below) and increased interest rates on the market.
- The business posted a net loss (excluding IFRS 16) of GEL 27.3 million in 4Q23 (GEL 36.6 million in FY23), which reflects a GEL 18.6 million one-off costs associated with the write-off of historic receivables due to their extremely low probability of recovery.

CASH FLOW AND BALANCE SHEET HIGHLIGHTS

- Net debt balance was up 11.3% q-o-q and up 37.7% y-o-y as at 31-Dec-23, mainly resulting from high capex investments associated with new facility regulation. The y-o-y increase in the net debt balance further reflects the delay in the collection of receivables from the State in 2023 due to one-off processing delays related to the introduction of the Diagnosis Related Group ("DRG") financing system.
- Capex investment was GEL 14.1 million in 4Q23, reflecting maintenance and capex related to the new facility regulation at hospitals. In FY23, the capex investment amounted to GEL 48.5 million, which apart from the 4Q23 capex described above includes renovation works in Iashvili Hospital.
- In December 2023, the business signed an agreement to sell one of its regional and community hospitals for a total cash consideration of GEL 34.6 million at 15.2x EV/EBITDA multiple. The proceeds from this transaction were collected in January 2024 and will be primarily utilised for deleveraging hospitals business's balance sheet. The sale is in line with the business's strategy to divest low-ROIC generating assets.

¹⁰ The respective costs divided by gross revenues.

OTHER VALUATION DRIVERS AND OPERATING HIGHLIGHTS

➤ The business key operating performance highlights for 4Q23 and FY23 are noted below:

Key metrics (unaudited)	4Q23	4Q22	Change	FY23	FY22	Change
<i>Number of admissions (thousands)</i>	375.1	376.9	-0.5%	1,468.1	1,640.2	-10.5%
<i>Of which, Large and Specialty Hospitals</i>	165.5	138.3	19.7%	599.9	614.7	-2.4%
<i>Of which, Regional and Community Hospitals</i>	209.6	238.6	-12.2%	868.2	1,025.5	-15.3%
<i>Occupancy rates:</i>						
<i>Large and Specialty Hospitals</i>	54.6%	55.8%	-1.2 pts	53.5%	55.5%	-2.0 pts
<i>Regional Hospitals</i>	50.3%	52.2%	-1.9 pts	49.4%	46.4%	3.0 pts

The decrease in the number of admissions in FY23 reflects the renovation works in our hospitals as described above.

Discussion of results, Medical Insurance

(Unaudited)

INCOME STATEMENT HIGHLIGHTS	4Q23	4Q22	Change	FY23	FY22	Change
Insurance revenue	24,767	21,072	17.5%	91,331	74,892	22.0%
Net underwriting profit	5,490	3,719	47.6%	16,129	10,633	51.7%
Net investment profit	977	1,048	-6.8%	4,448	3,894	14.2%
Net profit	2,193	1,947	12.6%	6,517	3,397	91.8%
CASH FLOW HIGHLIGHTS						
Net cash flows from operating activities	4,173	3,129	33.4%	10,612	4,665	127.5%
Free cash flow	3,266	2,780	17.5%	7,563	3,700	104.4%
BALANCE SHEET HIGHLIGHTS	31-Dec-23	30-Sep-23	Change	31-Dec-22	Change	
Total assets	68,700	67,675	1.5%	65,578	4.8%	
Total equity	38,127	35,869	6.3%	35,396	7.7%	

INCOME STATEMENT HIGHLIGHTS

- The increase in 4Q23 and FY23 insurance revenue is due to the increase in the price of insurance policies and a 3.3% y-o-y increase in the total number of insured clients (c.169,100 as of Dec-23) mainly in the corporate client segment.
- FY23 net claims expenses stood at GEL 71.4 million (up 17.7% y-o-y), out of which:
 - GEL 28.0 million (39.3% of the total) was inpatient.
 - GEL 31.3 million (43.8% of the total) was outpatient; and
 - GEL 12.1 million (16.9% of the total) was related to pharmaceuticals.
- 4Q23 combined ratio decreased by 2.5 ppts y-o-y (down by 4.7 ppts y-o-y in FY23), reflecting:
 - Improved loss ratio, down 3.8 ppts y-o-y to 73.9% in 4Q23 (down 2.8 ppts y-o-y to 78.2% in FY23), driven by robust revenue growth.
- The slight increase in expense ratio in 4Q23 (up 1.3 ppts y-o-y to 18.7%) was mainly due to the increased salaries and other employee benefits (up 60.7% in 4Q23 y-o-y) in line with the business growth. Overall, in FY23 expense ratio was down 1.9 ppts to 16.6% reflecting the top-line growth of the business.
- The developments described above translated into a 12.6% and 91.8% y-o-y increase in the 4Q23 and FY23 net profit, respectively.

CASH FLOW AND BALANCE SHEET HIGHLIGHTS

- GEL 5.0 million dividends were paid to GCAP in FY23.
- The solid operating performance of the business led to a 33.4% and 127.5% y-o-y increase in the net cash flows from operating activities in 4Q23 and FY23, respectively.

Discussion of Clinics and Diagnostics Business Results¹¹

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. Following the strategic restructuring, as outlined in the hospitals business discussion section on page [15], the business comprises two segments: 1) 19 polyclinics (providing outpatient diagnostic and treatment services) and 14 lab retail points at GPC pharmacies; 2) Diagnostics, operating the largest laboratory in the entire Caucasus region – “Mega Lab”.

4Q23 & FY23 performance (GEL '000), Clinics and Diagnostics¹²

(Unaudited)

INCOME STATEMENT HIGHLIGHTS	4Q23	4Q22	Change	FY23	FY22	Change
Revenue, net¹³	17,047	13,238	28.8%	61,723	56,691	8.9%
Of which, clinics	13,717	10,446	31.3%	49,170	41,133	19.5%
Of which, diagnostics	4,950	4,253	16.4%	18,435	20,477	-10.0%
Of which, inter-business eliminations	(1,620)	(1,461)	10.9%	(5,882)	(4,919)	19.6%
Gross Profit	8,350	5,058	65.1%	29,240	23,622	23.8%
Gross profit margin	48.9%	38.0%	10.9 ppts	47.2%	41.6%	5.6 ppts
Operating expenses (ex. IFRS 16)	(5,429)	(4,986)	8.9%	(16,345)	(18,013)	-9.3%
EBITDA (ex. IFRS 16)	2,921	72	NMF	12,895	5,609	129.9%
EBITDA margin (ex. IFRS 16)	17.1%	0.5%	16.6 ppts	20.8%	9.9%	11.0 ppts
Net profit/(loss) (ex. IFRS 16)	1,008	(3,934)	NMF	2,307	(5,187)	NMF
CASH FLOW HIGHLIGHTS						
Cash flow from operating activities (ex. IFRS 16)	2,274	988	NMF	6,901	3,878	78.0%
EBITDA to cash conversion (ex. IFRS 16)	77.9%	NMF	NMF	53.5%	69.1%	-15.6 ppts
Cash flow used in investing activities	8,951	(1,044)	NMF	(1,451)	(8,460)	-82.8%
Free cash flow (ex. IFRS 16)¹⁴	14,780	(29)	NMF	10,508	(3,985)	NMF
Cash flow used in financing activities (ex. IFRS 16)	(9,960)	3,405	NMF	(5,982)	4,117	NMF
BALANCE SHEET HIGHLIGHTS						
	31-Dec-23	30-Sep-23	Change	31-Dec-22	Change	
Total assets	135,848	141,259	-3.8%	125,598	8.2%	
Of which, cash balance and bank deposits	4,500	3,240	38.9%	5,033	-10.6%	
Of which, securities and loans issued	8,357	4,869	71.6%	3,607	NMF	
Total liabilities	83,901	88,230	-4.9%	71,908	16.7%	
Of which, borrowings	48,630	56,753	-14.3%	47,252	2.9%	
Total equity	51,947	53,029	-2.0%	53,690	-3.2%	

Discussion of results, Clinics

(Unaudited, GEL '000)

INCOME STATEMENT HIGHLIGHTS	4Q23	4Q22	Change	FY23	FY22	Change
Revenue, net	13,717	10,446	31.3%	49,170	41,133	19.5%
Gross Profit	6,985	4,357	60.3%	24,550	18,990	29.3%
Gross profit margin	50.8%	41.4%	9.4 ppts	49.7%	46.0%	3.7 ppts
Operating expenses (ex. IFRS 16)	(4,420)	(4,001)	10.5%	(12,845)	(14,043)	-8.5%
EBITDA (ex. IFRS 16)	2,565	356	NMF	11,705	4,947	136.6%
EBITDA margin (ex. IFRS 16)	18.7%	3.4%	15.3 ppts	23.7%	12.0%	11.7 ppts
Net profit/(loss) (ex. IFRS 16)	1,113	(3,302)	NMF	3,027	(4,529)	NMF
CASH FLOW HIGHLIGHTS						
Cash flow from operating activities (ex. IFRS 16)	2,042	90	NMF	8,214	3,832	NMF
EBITDA to cash conversion (ex. IFRS 16)	79.6%	25.3%	54.3 ppts	70.2%	77.5%	-7.3 ppts
Cash flow used in investing activities¹⁵	9,255	(1,019)	NMF	(194)	(7,748)	-97.5%
Free cash flow (ex. IFRS 16)	14,855	(891)	NMF	13,094	(3,256)	NMF
Cash flow used in financing activities (ex. IFRS 16)	(10,260)	3,759	NMF	(7,649)	5,454	NMF
BALANCE SHEET HIGHLIGHTS						
	31-Dec-23	30-Sep-23	Change	31-Dec-22	Change	
Total assets	105,789	110,761	-4.5%	92,250	11.1%	
Of which, cash balance and bank deposits	4,261	3,229	32.0%	3,892	9.5%	
Of which, securities and loans issued	8,357	4,869	71.6%	3,607	NMF	
Total liabilities	71,840	75,541	-4.9%	60,782	18.2%	
Of which, borrowings	42,340	50,833	-16.7%	43,056	-1.7%	
Total equity	33,949	35,220	-3.6%	34,468	-1.5%	

¹¹ The numbers were adjusted retrospectively to account for the recent strategic reorganisation in the healthcare businesses.

¹² The detailed IFRS financial statements are included in supplementary excel file, available at <https://georgiacapital.ge/ir/financial-results>.

¹³ Net revenue – Gross revenue less corrections and rebates. Margins are calculated from Gross revenue.

¹⁴ Operating cash flows less capex.

¹⁵ Of which capex of GEL 3.2 million in 4Q23 and GEL 11.2 million in FY23 (GEL 1.0 million in 4Q22 and GEL 7.1 million in FY22).

INCOME STATEMENT HIGHLIGHTS

- The increase in revenue is the result of higher demand for non-COVID regular ambulatory services and the expansion of the business, adding two new ambulatory centres in the second half of 2022 and two in 2023.
- The cost of services in the clinics consists mainly of salaries, cost of providers, materials and utilities:
 - The trend in salary cost is captured in the direct salary rate¹⁶. A significant portion of direct salaries is fixed, which on the back of increased revenue improved by 4.9 ppts to 30.2% in 4Q23 and by 2.0 ppts to 31.5% in FY23.
 - The cost of providers mainly consists of outsourced laboratory services, which as a percentage of revenue also improved y-o-y, down 1.7 ppts to 12.0% in 4Q23 and down 0.5 ppts to 11.6% in FY23, attributable to additional discounts from the laboratory services provider.
- As a result of the developments described above, the gross profit margins improved substantially in 4Q23 and FY23, up 9.4 and 3.7 ppts, y-o-y, respectively.
- Operating expenses (excl. IFRS 16) were up by 10.5% y-o-y in 4Q23, reflecting increased salaries and administrative expenses (excl. IFRS 16) in line with the expansion of the business as described above. The FY23 operating expenses (excl. IFRS 16) were down by 8.5% y-o-y which mainly reflect a GEL 2.9 million gain recognised from the sale of one of the polyclinic building in 3Q23.
- Business performance translated into an 18.7% EBITDA margin in 4Q23 (up 15.3 ppts y-o-y) and 23.7% in FY23 (up 11.7 ppts y-o-y). Excluding the gain recognised from the disposal, the FY23 EBITDA margin was 17.8% (up 5.8 ppts y-o-y).
- The net interest expense (excl. IFRS 16) was up 12.9% in FY23 y-o-y (down 1.6% y-o-y in 4Q23) reflecting a) an increased balance of net debt during the year due to investment made for the expansion of the business and b) increased interest rates on the market.

CASH FLOW AND BALANCE SHEET HIGHLIGHTS

- The EBITDA to cash conversion ratio was up 54.3 ppts in 4Q23, y-o-y to 79.6% and stood at 70.2% for FY23.
- In FY23, the business spent GEL 11.2 million on capex, primarily related to the expansion of the services and polyclinics chain. Capex investment in 4Q23 amounted to GEL 3.2 million.

OTHER VALUATION DRIVERS AND OPERATING HIGHLIGHTS

- The number of admissions at our clinics is highlighted below:

<i>(Unaudited)</i>	4Q23	4Q22	Change	FY23	FY22	Change
Number of admissions (thousands)	449.4	447.1	0.5%	1,640.0	1,707.5	-4.0%

- The number of polyclinics operated by the business is provided below.

<i>(Unaudited)</i>	Dec-23	Sep-23	Change (q-o-q)	Dec-22	Change (y-o-y)
Number of polyclinics	19	17	2	17	2

As of 31-Dec-23, the total number of registered patients in our polyclinics reached c.301,000 (c.277,000 as of 31-Dec-22) in Tbilisi and c.636,000 (c.616,000 as of 31-Dec-22) in Georgia.

Discussion of results, Diagnostics

(Unaudited, GEL '000)

INCOME STATEMENT HIGHLIGHTS

	4Q23	4Q22	Change	FY23	FY22	Change
Revenue, net	4,950	4,253	16.4%	18,435	20,477	-10.0%
<i>Of which, from regular lab tests</i>	4,877	3,943	23.7%	17,910	14,417	24.2%
<i>Of which, from COVID-19 tests</i>	73	310	-76.5%	525	6,060	-91.3%
Gross Profit	1,365	701	94.7%	4,690	4,632	1.3%
<i>Gross profit margin</i>	27.6%	16.5%	11.1 ppts	25.4%	22.6%	2.8 ppts
Operating expenses (ex. IFRS 16)	(1,009)	(985)	2.4%	(3,500)	(3,964)	-11.7%
EBITDA (ex. IFRS 16)	356	(284)	NMF	1,190	668	78.1%
<i>EBITDA margin (ex. IFRS 16)</i>	7.2%	-6.7%	13.9 ppts	6.5%	3.3%	3.2 ppts
Net loss (ex. IFRS 16)	(105)	(632)	83.4%	(1,172)	(652)	-79.8%

¹⁶ The respective costs divided by gross revenues.

INCOME STATEMENT HIGHLIGHTS

- As part of the post-COVID transition, the business has been actively broadening its client base and diversifying its range of non-COVID services. This translated into a 23.7% y-o-y increase in revenues from regular lab tests in 4Q23 and 24.2% in FY23.
- Overall, the 10.0% y-o-y decrease in the net revenue of the diagnostics business in FY23 was driven by the suspension of Government contracts for COVID testing in March 2022 as infections slowed and became less severe. After having been the revenue driver in 2021 and the first quarter of 2022, revenues from COVID testing decreased dramatically and were down 91.3% y-o-y in FY23.
- In 4Q23, the business posted a 94.7% y-o-y increase in gross profit with 27.6% gross profit margin (up 11.1 ppts y-o-y) and GEL 0.4 million EBITDA with 7.2% EBITDA margin (up 13.9 ppts y-o-y), reflecting increased demand on higher margin non-COVID services. The FY23 gross profit was up 1.3% with 25.4% gross profit margin (up 2.8 ppts y-o-y), while in the same period, the EBITDA was up 78.1% with 6.5% EBITDA margin (up 3.2 ppts y-o-y), the latter reflecting a reduction in the operating expenses.

OTHER VALUATION DRIVERS AND OPERATING HIGHLIGHTS

- The key operating performance highlights for 4Q23 and FY23 are noted below:

<i>(Unaudited)</i>	4Q23	4Q22	Change	FY23	FY22	Change
<i>Number of non-Covid tests performed (thousands)</i>	658	607	8.4%	2,449	2,174	12.7%
<i>Average revenue per non-Covid test (GEL)</i>	7.4	6.5	14.1%	7.3	6.6	10.2%

SELECTED FINANCIAL INFORMATION – Retail (pharmacy)

INCOME STATEMENT						
<i>GEL thousands, unless otherwise noted</i>	4Q23	4Q22	Change	FY23	FY22	Change
Revenue	223,548	209,182	6.9%	823,692	789,893	4.3%
Costs of services	(160,303)	(149,215)	7.4%	(579,370)	(558,623)	3.7%
Cost of pharma – wholesale	(33,347)	(30,066)	10.9%	(122,325)	(125,132)	-2.2%
Cost of pharma - retail	(126,956)	(119,149)	6.6%	(457,045)	(433,491)	5.4%
Gross profit	63,245	59,967	5.5%	244,322	231,270	5.6%
Gross profit margin	28.3%	28.7%	- 0.3 ppts	29.7%	29.3%	+ 0.4 ppts
Salaries and other employee benefits	(22,725)	(20,268)	12.1%	(86,447)	(79,775)	8.4%
General and administrative expenses	(15,633)	(11,916)	31.2%	(52,037)	(45,329)	14.8%
<i>General and administrative expenses excluding IFRS 16</i>	<i>(24,265)</i>	<i>(19,296)</i>	<i>25.8%</i>	<i>(82,323)</i>	<i>(73,874)</i>	<i>11.4%</i>
Impairment of receivables	23	69	-66.7%	10	(80)	NMF
Other operating income	(261)	(69)	NMF	1,781	(614)	NMF
EBITDA	24,649	27,783	-11.3%	107,629	105,472	2.0%
EBITDA excluding IFRS 16	16,017	20,403	-21.5%	77,343	76,927	0.5%
EBITDA margin excluding IFRS 16	7.2%	9.8%	- 2.6 ppts	9.4%	9.7%	- 0.3 ppts
Depreciation and amortization	(9,928)	(7,506)	32.3%	(35,088)	(30,336)	15.7%
<i>Depreciation and amortization excluding IFRS 16</i>	<i>(2,486)</i>	<i>(1,859)</i>	<i>33.7%</i>	<i>(8,468)</i>	<i>(6,845)</i>	<i>23.7%</i>
Net interest expense	(8,967)	(4,206)	NMF	(22,088)	(13,504)	63.6%
<i>Net interest expense excluding IFRS 16</i>	<i>(6,463)</i>	<i>(2,321)</i>	<i>NMF</i>	<i>(13,545)</i>	<i>(5,852)</i>	<i>NMF</i>
Net (loss)/gain from foreign currencies	(4,679)	2,485	NMF	(5,326)	20,787	NMF
<i>Net (loss)/gain from foreign currencies excluding IFRS 16</i>	<i>(4,189)</i>	<i>(1,171)</i>	<i>NMF</i>	<i>(5,342)</i>	<i>9,931</i>	<i>NMF</i>
Net non-recurring items	(2,983)	(7,651)	-61.0%	(3,567)	(13,917)	-74.4%
Net (loss)/profit before income tax expense	(1,908)	10,905	NMF	41,560	68,502	-39.3%
Income tax benefit/(expense)	-	(1)	NMF	(807)	(1,639)	-50.8%
Net (loss)/profit for the period	(1,908)	10,904	NMF	40,753	66,863	-39.0%
Attributable to:						
- shareholders of the Company	(2,054)	6,186	NMF	32,360	43,007	-24.8%
- non-controlling interests	146	4,718	-96.9%	8,393	23,856	-64.8%
Net (loss)/profit for the period excluding IFRS 16	(104)	7,400	NMF	45,614	58,605	-22.2%
Attributable to:						
- shareholders of the Company	(294)	3,838	NMF	36,474	37,474	-2.7%
- non-controlling interests	190	3,562	-94.7%	9,140	21,131	-56.7%

SELECTED FINANCIAL INFORMATION – Retail (pharmacy), *continued*

STATEMENT OF CASH FLOW

<i>GEL thousands, unless otherwise noted</i>	4Q23	4Q22	Change	FY23	FY22	Change
Cash flows from operating activities						
Revenue received	214,024	206,519	3.6%	783,673	775,138	1.1%
Cost of services paid	(135,388)	(144,955)	-6.6%	(570,161)	(546,535)	4.3%
Gross profit received	78,636	61,564	27.7%	213,512	228,603	-6.6%
Salaries paid	(20,681)	(19,899)	3.9%	(80,445)	(77,393)	3.9%
General and administrative expenses paid	(15,468)	(11,734)	31.8%	(51,749)	(45,628)	13.4%
<i>General and administrative expenses paid, excluding IFRS 16</i>	<i>(24,700)</i>	<i>(19,114)</i>	<i>26.1%</i>	<i>(82,249)</i>	<i>(74,173)</i>	<i>10.9%</i>
Other operating income/(expense) and tax paid	543	275	97.5%	2,409	1,252	92.4%
Net cash flows from operating activities before income tax	43,030	30,206	42.5%	83,727	106,834	-21.6%
Income tax paid	(188)	(207)	-9.2%	(866)	(1,190)	-27.2%
Net cash flows from operating activities	42,842	29,999	42.8%	82,861	105,644	-21.6%
Net cash flows from operating activities, excluding IFRS 16	34,210	22,619	51.2%	52,361	77,099	-32.1%
Cash flows from investing activities						
Cash outflow on Capex	(13,563)	(3,681)	NMF	(33,997)	(20,897)	62.7%
Acquisition of subsidiaries/payments of holdback	-	-	NMF	(89,088)	(41,186)	NMF
Interest income received	158	1,376	-88.5%	4,949	6,526	-24.2%
Intersegment loans issued proceeds from other investing activities	2,070	(1,503)	NMF	34,006	(2,810)	NMF
Net cash flow from investing activities	(11,335)	(3,808)	NMF	(84,130)	(58,367)	44.1%
Cash flows from financing activities						
Payment of dividends	(350)	(2,470)	-85.8%	(56,775)	(27,074)	NMF
Payment of finance lease liabilities	(6,128)	(5,497)	11.5%	(21,957)	(20,893)	5.1%
Interest expense paid on finance lease	(2,504)	(1,883)	33.0%	(8,543)	(7,652)	11.6%
Increase/(decrease) in borrowings	10,490	-	NMF	91,894	42,586	NMF
Interest expense paid	(7,014)	(4,246)	65.2%	(17,433)	(12,120)	43.8%
Net cash flows from financing activities	(5,506)	(14,096)	-60.9%	(12,814)	(25,153)	-49.1%
Net cash flows from financing activities, excluding IFRS 16	3,126	(6,716)	NMF	17,686	3,392	NMF
Effect of exchange rates changes on cash and cash equivalents	(44)	(89)	-50.6%	(813)	(1,461)	-44.4%
Net increase/(decrease) in cash and cash equivalents	25,957	12,006	NMF	(14,896)	20,663	NMF
Cash and bank deposits, beginning	34,426	63,273	-45.6%	75,279	54,616	37.8%
Cash and bank deposits, ending	60,383	75,279	-19.8%	60,383	75,279	-19.8%

BALANCE SHEET

<i>GEL thousands, unless otherwise noted</i>	Dec-23	Sep-23	Change	Dec-22	Change
Cash and bank deposits	60,383	34,426	75.4%	75,279	-19.8%
Securities and loans issued	2,623	4,578	-42.7%	22,857	-88.5%
Receivables from sale of pharmaceuticals	43,122	39,759	8.5%	35,631	21.0%
Property and equipment	65,678	55,715	17.9%	53,545	22.7%
Right of use assets	143,700	130,609	10.0%	104,264	37.8%
Goodwill and other intangible assets	55,637	55,202	0.8%	55,749	-0.2%
Inventory	251,963	249,384	1.0%	218,433	15.4%
Prepayments	6,919	8,979	-22.9%	7,656	-9.6%
Other assets	1,193	1,452	-17.8%	2,646	-54.9%
Total assets	631,218	580,104	8.8%	576,060	9.6%
Borrowed Funds	228,261	216,232	5.6%	131,547	73.5%
Lease liabilities	151,916	136,836	11.0%	107,455	41.4%
Accounts payable	183,332	160,375	14.3%	164,827	11.2%
Other liabilities	34,102	30,717	11.0%	111,252	-69.3%
Total liabilities	597,611	544,160	9.8%	515,081	16.0%
Total shareholders' equity	33,607	35,944	-6.5%	60,979	-44.9%

SELECTED FINANCIAL INFORMATION – Hospitals

INCOME STATEMENT

GEL thousands, unless otherwise noted

	4Q23	4Q22	Change	FY23	FY22	Change
Revenue, gross	79,802	79,856	-0.1%	319,006	317,994	0.3%
Corrections & rebates	(2,164)	(1,135)	90.7%	(5,258)	(4,587)	14.6%
Revenue, net	77,638	78,721	-1.4%	313,748	313,407	0.1%
<i>Of which, Large and Specialty Hospitals</i>	51,992	49,349	5.4%	204,690	198,883	2.9%
<i>Of which, Regional and Community Hospitals</i>	25,966	29,733	-12.7%	110,551	115,768	-4.5%
<i>Of which, Inter-business eliminations</i>	(320)	(361)	-11.6%	(1,493)	(1,244)	20.0%
Costs of services	(54,592)	(47,815)	14.2%	(209,132)	(198,947)	5.1%
Cost of salaries and other employee benefits	(33,822)	(28,957)	16.8%	(126,456)	(115,601)	9.4%
Cost of materials and supplies	(14,455)	(12,562)	15.1%	(54,860)	(56,406)	-2.7%
Cost of medical service providers	(1,741)	(1,701)	2.4%	(6,836)	(6,855)	-0.3%
Cost of utilities and other	(4,574)	(4,595)	-0.5%	(20,980)	(20,085)	4.5%
Gross profit	23,046	30,906	-25.4%	104,616	114,460	-8.6%
Gross profit margin	28.9%	38.7%	- 9.8 ppts	32.8%	36.0%	- 3.2 ppts
Salaries and other employee benefits	(10,619)	(10,074)	5.4%	(41,347)	(40,546)	2.0%
General and administrative expenses	(4,176)	(4,198)	-0.5%	(16,024)	(15,080)	6.3%
<i>General and administrative expenses excluding IFRS 16</i>	(4,878)	(4,340)	12.4%	(16,990)	(15,982)	6.3%
Impairment of receivables	(1,323)	(1,438)	-8.0%	(5,976)	(5,023)	19.0%
Other operating income	1,682	443	NMF	5,826	3,847	51.4%
EBITDA	8,610	15,639	-44.9%	47,095	57,658	-18.3%
EBITDA excluding IFRS 16	7,908	15,497	-49.0%	46,129	56,756	-18.7%
<i>Of which, Large and Specialty Hospitals</i>	6,587	9,457	-30.3%	34,339	35,915	-4.4%
<i>Of which, Regional and Community Hospitals</i>	1,321	6,040	-78.1%	11,790	20,841	-43.4%
EBITDA margin excluding IFRS 16	9.9%	19.4%	- 9.5 ppits	14.5%	17.8%	- 3.3 ppts
Depreciation and amortization	(9,285)	(8,492)	9.3%	(34,746)	(33,212)	4.6%
<i>Depreciation and amortization excluding IFRS 16</i>	(8,587)	(7,761)	10.6%	(31,886)	(30,545)	4.4%
Net interest expense	(7,599)	(5,827)	30.4%	(30,730)	(22,630)	35.8%
<i>Net interest expense excluding IFRS 16</i>	(7,505)	(5,726)	31.1%	(30,345)	(22,267)	36.3%
Net (loss)/gain from foreign currencies	(1,543)	(858)	79.8%	(1,196)	6,150	NMF
<i>Net (loss)/gain from foreign currencies excluding IFRS 16</i>	(1,509)	(1,173)	28.6%	(1,144)	5,187	NMF
Net non-recurring items	(17,629)	(3,964)	NMF	(19,369)	(13,403)	44.5%
Net loss before income tax expense	(27,446)	(3,502)	NMF	(38,946)	(5,437)	NMF
Income tax benefit/(expense)	-	-	NMF	-	-	NMF
Net loss for the period	(27,446)	(3,502)	NMF	(38,946)	(5,437)	NMF
Attributable to:						
- shareholders of the Company	(25,932)	(4,946)	NMF	(39,192)	(8,554)	NMF
- non-controlling interests	(1,514)	1,444	NMF	246	3,117	-92.1%
Net loss for the period excluding IFRS 16	(27,322)	(3,127)	NMF	(36,615)	(4,272)	NMF
Attributable to:						
- shareholders of the Company	(25,808)	(4,571)	NMF	(36,861)	(7,389)	NMF
- non-controlling interests	(1,514)	1,444	NMF	246	3,117	-92.1%

SELECTED FINANCIAL INFORMATION – Hospitals, *continued*

STATEMENT OF CASH FLOW

<i>GEL thousands, unless otherwise noted</i>	4Q23	4Q22	Change	FY23	FY22	Change
Cash flows from operating activities						
Revenue received	66,152	79,863	-17.2%	285,589	317,392	-10.0%
Cost of services paid	(52,811)	(54,092)	-2.4%	(203,487)	(215,300)	-5.5%
Gross profit received	13,341	25,771	-48.2%	82,102	102,092	-19.6%
Salaries paid	(9,971)	(8,908)	11.9%	(41,792)	(44,284)	-5.6%
General and administrative expenses paid	(6,011)	(4,215)	42.6%	(25,969)	(21,805)	19.1%
<i>General and administrative expenses paid, excluding IFRS 16</i>	<i>(6,602)</i>	<i>(4,357)</i>	<i>51.5%</i>	<i>(26,935)</i>	<i>(22,707)</i>	<i>18.6%</i>
Other operating income/(expense) and tax paid	(458)	(773)	-40.8%	(2,682)	(3,164)	-15.2%
Net cash flows from operating activities before income tax	(3,099)	11,875	NMF	11,659	32,839	-64.5%
Income tax paid	(7)	(16)	-56.3%	(72)	(207)	-65.2%
Net cash flows from operating activities	(3,106)	11,859	NMF	11,587	32,632	-64.5%
Net cash flows from operating activities, excluding IFRS 16	(3,697)	11,717	NMF	10,621	31,730	-66.5%
Cash flows from investing activities						
Cash outflow on Capex	(14,097)	(11,852)	18.9%	(48,540)	(27,596)	75.9%
Interest income received	534	716	-25.4%	1,095	2,953	-62.9%
Proceeds from sale of associate/subsidiary	568	-	NMF	2,850	8,721	-67.3%
Dividends and intersegment loans issued/received	(36)	(490)	-92.7%	(151)	(1,521)	-90.1%
Net cash flow from investing activities	(13,031)	(11,626)	12.1%	(44,746)	(17,443)	NMF
Cash flows from financing activities						
Payment of dividends	-	-	NMF	(8,042)	(14,733)	-45.4%
Purchase of treasury shares	-	-	NMF	-	(821)	NMF
Payment of finance lease liabilities	(518)	(59)	NMF	(663)	(597)	11.1%
Interest expense paid on finance lease	(73)	(83)	-12.0%	(303)	(305)	-0.7%
Increase/(decrease) in borrowings	32,961	10,288	NMF	59,964	5,640	NMF
Interest expense paid	(6,895)	(5,746)	20.0%	(29,560)	(25,872)	14.3%
Net cash flows from financing activities	25,475	4,400	NMF	21,396	(36,688)	NMF
Net cash flows from financing activities, excluding IFRS 16	26,066	4,542	NMF	22,362	(35,786)	NMF
Effect of exchange rates changes on cash and cash equivalents	(1,430)	(153)	NMF	(2,041)	(1,858)	9.8%
Net increase/(decrease) in cash and cash equivalents	7,908	4,480	76.5%	(13,804)	(23,357)	-40.9%
Cash and bank deposits, beginning	1,845	19,077	-90.3%	23,557	46,914	-49.8%
Cash and bank deposits, ending	9,753	23,557	-58.6%	9,753	23,557	-58.6%

BALANCE SHEET

<i>GEL thousands, unless otherwise noted</i>	Dec-23	Sep-23	Change	Dec-22	Change
Cash and bank deposits	9,753	1,845	NMF	23,557	-58.6%
Receivables from healthcare services	94,692	104,746	-9.6%	95,190	-0.5%
Property and equipment	433,913	444,569	-2.4%	439,448	-1.3%
Right of use assets	1,987	1,757	13.1%	3,869	-48.6%
Goodwill and other intangible assets	69,895	63,916	9.4%	60,813	14.9%
Inventory	23,176	21,511	7.7%	20,056	15.6%
Prepayments	8,373	8,972	-6.7%	7,189	16.5%
Other assets	65,825	31,867	NMF	30,233	NMF
<i>Of which, securities and intercompany loans</i>	<i>9,557</i>	<i>8,990</i>	<i>6.3%</i>	<i>14,040</i>	<i>-31.9%</i>
Total assets	707,614	679,183	4.2%	680,355	4.0%
Borrowed Funds	281,352	246,182	14.3%	227,960	23.4%
Accounts payable	29,690	22,481	32.1%	22,969	29.3%
Other liabilities	46,616	38,258	21.8%	43,054	8.3%
Total liabilities	357,658	306,921	16.5%	293,983	21.7%
Total shareholders' equity attributable to:	349,956	372,262	-6.0%	386,372	-9.4%
Shareholders of the Company	317,779	338,668	-6.2%	354,450	-10.3%
Non-controlling interest	32,177	33,594	-4.2%	31,922	0.8%

SELECTED FINANCIAL INFORMATION – Clinics & Diagnostics

INCOME STATEMENT	Clinics			Diagnostic			Eliminations		Clinics & Diagnostics		
<i>GEL thousands, unless otherwise noted</i>	4Q23	4Q22	Change	4Q23	4Q22	Change	4Q23	4Q22	4Q23	4Q22	Change
Revenue, gross	13,740	10,519	30.6%	4,950	4,253	16.4%	(1,620)	(1,461)	17,070	13,311	28.2%
Corrections & rebates	(23)	(73)	-68.5%	-	-	NMF	-	-	(23)	(73)	-68.5%
Revenue, net	13,717	10,446	31.3%	4,950	4,253	16.4%	(1,620)	(1,461)	17,047	13,238	28.8%
Costs of services	(6,732)	(6,089)	10.6%	(3,585)	(3,552)	0.9%	1,620	1,461	(8,697)	(8,180)	6.3%
Cost of salaries and other employee benefits	(4,151)	(3,691)	12.5%	(1,251)	(1,150)	8.8%	-	-	(5,402)	(4,841)	11.6%
Cost of materials and supplies	(481)	(426)	12.9%	(1,944)	(1,969)	-1.3%	-	-	(2,425)	(2,395)	1.3%
Cost of medical service providers	(1,644)	(1,443)	13.9%	(111)	(106)	4.7%	1,620	1,461	(135)	(88)	53.4%
Cost of utilities and other	(456)	(529)	-13.8%	(279)	(327)	-14.7%	-	-	(735)	(856)	-14.1%
Gross profit	6,985	4,357	60.3%	1,365	701	94.7%	-	-	8,350	5,058	65.1%
Gross profit margin	50.8%	41.4%	+ 9.4 pts	27.6%	16.5%	+ 11.1 pts	N/A	N/A	48.9%	38.0%	+ 10.9 pts
Salaries and other employee benefits	(2,416)	(2,151)	12.3%	(478)	(438)	9.1%	-	-	(2,894)	(2,589)	11.8%
General and administrative expenses	(1,077)	(1,479)	-27.2%	(512)	(523)	-2.1%	-	-	(1,589)	(2,002)	-20.6%
<i>General and administrative expenses excluding IFRS 16</i>	<i>(1,863)</i>	<i>(1,795)</i>	<i>3.8%</i>	<i>(512)</i>	<i>(523)</i>	<i>-2.1%</i>	<i>-</i>	<i>-</i>	<i>(2,375)</i>	<i>(2,318)</i>	<i>2.5%</i>
Impairment of receivables	(47)	(33)	42.4%	-	-	NMF	-	-	(47)	(33)	42.4%
Other operating income	(94)	(22)	NMF	(19)	(24)	-20.8%	-	-	(113)	(46)	NMF
EBITDA	3,351	672	NMF	356	(284)	NMF	-	-	3,707	388	NMF
EBITDA excluding IFRS 16	2,565	356	NMF	356	(284)	NMF	-	-	2,921	72	NMF
EBITDA margin excluding IFRS 16	18.7%	3.4%	+ 15.3 pts	7.2%	-6.7%	+ 13.9 pts	N/A	N/A	17.1%	0.5%	+ 16.6 pts
Depreciation and amortization	(1,775)	(1,360)	30.5%	(261)	(197)	32.5%	-	-	(2,036)	(1,557)	30.8%
<i>Depreciation and amortization excluding IFRS 16</i>	<i>(1,397)</i>	<i>(1,094)</i>	<i>27.7%</i>	<i>(261)</i>	<i>(197)</i>	<i>32.5%</i>	<i>-</i>	<i>-</i>	<i>(1,658)</i>	<i>(1,291)</i>	<i>28.4%</i>
Net interest expense	(927)	(875)	5.9%	(160)	(125)	28.0%	-	-	(1,087)	(1,000)	8.7%
<i>Net interest expense excluding IFRS 16</i>	<i>(680)</i>	<i>(691)</i>	<i>-1.6%</i>	<i>(160)</i>	<i>(125)</i>	<i>28.0%</i>	<i>-</i>	<i>-</i>	<i>(840)</i>	<i>(816)</i>	<i>2.9%</i>
Net gain/(loss) from foreign currencies	714	382	86.9%	(3)	(1)	NMF	-	-	711	381	86.6%
<i>Net gain/(loss) from foreign currencies excluding IFRS 16</i>	<i>684</i>	<i>(144)</i>	<i>NMF</i>	<i>(3)</i>	<i>(1)</i>	<i>NMF</i>	<i>-</i>	<i>-</i>	<i>681</i>	<i>(145)</i>	<i>NMF</i>
Net non-recurring items	(59)	(1,729)	-96.6%	(37)	(25)	48.0%	-	-	(96)	(1,754)	-94.5%
Net profit/(loss) before income tax expense	1,304	(2,910)	NMF	(105)	(632)	-83.4%	-	-	1,199	(3,542)	NMF
Income tax benefit/(expense)	-	-	NMF	-	-	NMF	-	-	-	-	NMF
Net profit/(loss) for the period	1,304	(2,910)	NMF	(105)	(632)	-83.4%	-	-	1,199	(3,542)	NMF
Attributable to:											
- shareholders of the Company	1,320	(2,889)	NMF	(105)	(632)	-83.4%	-	-	1,215	(3,521)	NMF
- non-controlling interests	(16)	(21)	-23.8%	-	-	NMF	-	-	(16)	(21)	-23.8%
Net profit/(loss) for the period excluding IFRS 16	1,113	(3,302)	NMF	(105)	(632)	-83.4%	-	-	1,008	(3,934)	NMF
Attributable to:											
- shareholders of the Company	1,129	(3,281)	NMF	(105)	(632)	-83.4%	-	-	1,024	(3,913)	NMF
- non-controlling interests	(16)	(21)	-23.8%	-	-	NMF	-	-	(16)	(21)	-23.8%

SELECTED FINANCIAL INFORMATION – Clinics & Diagnostics, *continued*

INCOME STATEMENT	Clinics			Diagnostic			Eliminations		Clinics & Diagnostics		
<i>GEL thousands, unless otherwise noted</i>	FY23	FY22	Change	FY23	FY22	Change	FY23	FY22	FY23	FY22	Change
Revenue, gross	49,378	41,263	19.7%	18,435	20,477	-10.0%	(5,882)	(4,919)	61,931	56,821	9.0%
Corrections & rebates	(208)	(130)	60.0%	-	-	NMF	-	-	(208)	(130)	60.0%
Revenue, net	49,170	41,133	19.5%	18,435	20,477	-10.0%	(5,882)	(4,919)	61,723	56,691	8.9%
Costs of services	(24,620)	(22,143)	11.2%	(13,745)	(15,845)	-13.3%	5,882	4,919	(32,483)	(33,069)	-1.8%
Cost of salaries and other employee benefits	(15,572)	(13,815)	12.7%	(4,824)	(4,544)	6.2%	-	-	(20,396)	(18,359)	11.1%
Cost of materials and supplies	(1,429)	(2,041)	-30.0%	(7,302)	(9,529)	-23.4%	-	-	(8,731)	(11,570)	-24.5%
Cost of medical service providers	(5,724)	(4,995)	14.6%	(424)	(533)	-20.5%	5,882	4,919	(266)	(609)	-56.3%
Cost of utilities and other	(1,895)	(1,292)	46.7%	(1,195)	(1,239)	-3.6%	-	-	(3,090)	(2,531)	22.1%
Gross profit	24,550	18,990	29.3%	4,690	4,632	1.3%	-	-	29,240	23,622	23.8%
Gross profit margin	49.7%	46.0%	+ 3.7 ppts	25.4%	22.6%	+ 2.8 ppts	N/A	N/A	47.2%	41.6%	+ 5.6 ppts
Salaries and other employee benefits	(9,086)	(8,619)	5.4%	(1,826)	(1,859)	-1.8%	-	-	(10,912)	(10,478)	4.1%
General and administrative expenses	(4,461)	(4,430)	0.7%	(1,598)	(1,995)	-19.9%	-	-	(6,059)	(6,425)	-5.7%
<i>General and administrative expenses excluding IFRS 16</i>	(6,302)	(5,723)	10.1%	(1,598)	(1,995)	-19.9%	-	-	(7,900)	(7,718)	2.4%
Impairment of receivables	(156)	(156)	NMF	-	-	NMF	-	-	(156)	(156)	NMF
Other operating income	2,699	455	NMF	(76)	(110)	-30.9%	-	(6)	2,623	339	NMF
EBITDA	13,546	6,240	NMF	1,190	668	78.1%	-	(6)	14,736	6,902	NMF
EBITDA excluding IFRS 16	11,705	4,947	NMF	1,190	668	78.1%	-	(6)	12,895	5,609	NMF
EBITDA margin excluding IFRS 16	23.7%	12.0%	+ 11.7 ppts	6.5%	3.3%	+ 3.2 ppts	N/A	N/A	20.8%	9.9%	+ 10.9 ppts
Depreciation and amortization	(6,264)	(4,840)	29.4%	(965)	(768)	25.7%	-	-	(7,229)	(5,608)	28.9%
<i>Depreciation and amortization excluding IFRS 16</i>	(5,147)	(4,005)	28.5%	(965)	(768)	25.7%	-	-	(6,112)	(4,773)	28.1%
Net interest expense	(3,899)	(3,448)	13.1%	(658)	(440)	49.5%	-	-	(4,557)	(3,888)	17.2%
<i>Net interest expense excluding IFRS 16</i>	(3,095)	(2,741)	12.9%	(658)	(440)	49.5%	-	-	(3,753)	(3,181)	18.0%
Net (loss)/gain from foreign currencies	(212)	1,916	NMF	3	3	NMF	-	-	(209)	1,919	NMF
<i>Net (loss)/gain from foreign currencies excluding IFRS 16</i>	(170)	285	NMF	3	3	NMF	-	-	(167)	288	NMF
Net non-recurring items	(266)	(3,015)	-91.2%	(742)	(115)	NMF	452	-	(556)	(3,130)	-82.2%
Net profit/(loss) before income tax expense	2,905	(3,147)	NMF	(1,172)	(652)	79.8%	452	(6)	2,185	(3,805)	NMF
Income tax benefit/(expense)	-	-	NMF	-	-	NMF	-	-	-	-	NMF
Net profit/(loss) for the period	2,905	(3,147)	NMF	(1,172)	(652)	79.8%	452	(6)	2,185	(3,805)	NMF
Attributable to:											
- shareholders of the Company	2,962	(3,114)	NMF	(1,172)	(652)	79.8%	452	(6)	2,242	(3,772)	NMF
- non-controlling interests	(57)	(33)	72.7%	-	-	NMF	-	-	(57)	(33)	72.7%
Net profit/(loss) for the period excluding IFRS 16	3,027	(4,529)	NMF	(1,172)	(652)	79.8%	452	(6)	2,307	(5,187)	NMF
Attributable to:											
- shareholders of the Company	3,084	(4,496)	NMF	(1,172)	(652)	79.8%	452	(6)	2,364	(5,154)	NMF
- non-controlling interests	(57)	(33)	72.7%	-	-	NMF	-	-	(57)	(33)	72.7%

SELECTED FINANCIAL INFORMATION – Clinics & Diagnostics, *continued*

STATEMENT OF CASH FLOW	Clinics			Diagnostic			Eliminations		Clinics & Diagnostics		
<i>GEL thousands, unless otherwise noted</i>	4Q23	4Q22	Change	4Q23	4Q22	Change	4Q23	4Q22	4Q23	4Q22	Change
Cash flows from operating activities											
Revenue received	12,254	11,624	5.4%	4,556	4,807	-5.2%	(1,182)	(2,117)	15,628	14,314	9.2%
Cost of services paid	(5,691)	(6,248)	-8.9%	(1,983)	(2,010)	-1.4%	1,182	2,117	(6,492)	(6,141)	5.7%
Gross profit received	6,563	5,376	22.1%	2,573	2,797	-8.0%	-	-	9,136	8,173	11.8%
Salaries paid	(2,144)	(1,932)	11.0%	(1,756)	(1,553)	13.1%	-	-	(3,900)	(3,485)	11.9%
General and administrative expenses paid	(1,287)	(2,619)	-50.9%	(569)	(301)	89.0%	-	-	(1,856)	(2,920)	-36.4%
<i>General and administrative expenses paid, excluding IFRS 16</i>	<i>(2,280)</i>	<i>(2,935)</i>	<i>-22.3%</i>	<i>(569)</i>	<i>(301)</i>	<i>89.0%</i>	-	-	<i>(2,849)</i>	<i>(3,236)</i>	<i>-12.0%</i>
Other operating income/(expense) and tax paid	(97)	(419)	-76.8%	(16)	(45)	-64.4%	-	-	(113)	(464)	-75.6%
Net cash flows from operating activities before income tax	3,035	406	NMF	232	898	-74.1%	-	-	3,267	1,304	NMF
Income tax paid	-	-	NMF	-	-	NMF	-	-	-	-	NMF
Net cash flows from operating activities	3,035	406	NMF	232	898	-74.1%	-	-	3,267	1,304	NMF
Net cash flows from operating activities, excluding IFRS 16	2,042	90	NMF	232	898	-74.1%	-	-	2,274	988	NMF
Cash flows from investing activities											
Cash outflow on Capex	(3,233)	(981)	NMF	(307)	(36)	NMF	-	-	(3,540)	(1,017)	NMF
Acquisition of subsidiaries	(541)	-	NMF	-	-	NMF	-	-	(541)	-	NMF
Interest income received	85	134	-36.6%	3	11	-75.0%	-	-	88	145	-39.3%
Proceeds from sale of PPE	16,587	-	NMF	-	-	NMF	-	-	16,587	-	NMF
Dividends and intersegment loans issued/received	(3,643)	(172)	NMF	-	-	NMF	-	-	(3,643)	(172)	NMF
Net cash flows used in investing activities	9,255	(1,019)	NMF	(304)	(25)	NMF	-	-	8,951	(1,044)	NMF
Cash flows from financing activities											
Payment of finance lease liabilities	(807)	(132)	NMF	-	-	NMF	-	-	(807)	(132)	NMF
Interest expense paid on finance lease	(186)	(184)	1.1%	-	-	NMF	-	-	(186)	(184)	1.1%
Increase/(decrease) in borrowings	(9,254)	4,693	NMF	441	(243)	NMF	-	-	(8,813)	4,450	NMF
Interest expense paid	(1,006)	(934)	7.7%	(141)	(111)	27.0%	-	-	(1,147)	(1,045)	9.8%
Net cash flows from financing activities	(11,253)	3,443	NMF	300	(354)	NMF	-	-	(10,953)	3,089	NMF
Net cash flows from financing activities, excluding IFRS 16	(10,260)	3,759	NMF	300	(354)	NMF	-	-	(9,960)	3,405	NMF
Effect of exchange rates changes on cash and cash equivalents	(5)	44	NMF	-	2	NMF	-	-	(5)	46	NMF
Net increase in cash and cash equivalents	1,032	2,874	-64.1%	228	521	-56.2%	-	-	1,260	3,395	-62.9%
Cash and bank deposits, beginning	3,229	1,018	NMF	11	620	-98.2%	-	-	3,240	1,638	97.8%
Cash and bank deposits, ending	4,261	3,892	9.5%	239	1,141	-79.1%	-	-	4,500	5,033	-10.6%

SELECTED FINANCIAL INFORMATION – Clinics & Diagnostics, *continued*

STATEMENT OF CASH FLOW	Clinics			Diagnostic			Eliminations		Clinics & Diagnostics		
<i>GEL thousands, unless otherwise noted</i>	FY23	FY22	Change	FY23	FY22	Change	FY23	FY22	FY23	FY22	Change
Cash flows from operating activities											
Revenue received	46,678	39,831	17.2%	16,822	20,857	-19.3%	(5,756)	(5,500)	57,744	55,188	4.6%
Cost of services paid	(22,199)	(20,329)	9.2%	(9,077)	(11,232)	-19.2%	5,756	5,500	(25,520)	(26,061)	-2.1%
Gross profit received	24,479	19,502	25.5%	7,745	9,625	-19.5%	-	-	32,224	29,127	10.6%
Salaries paid	(8,248)	(7,851)	5.1%	(7,331)	(7,636)	-4.0%	-	-	(15,579)	(15,487)	0.6%
General and administrative expenses paid	(5,579)	(5,597)	-0.3%	(1,618)	(1,783)	-9.3%	-	-	(7,197)	(7,380)	-2.5%
<i>General and administrative expenses paid, excluding IFRS 16</i>	<i>(7,420)</i>	<i>(6,890)</i>	<i>7.7%</i>	<i>(1,618)</i>	<i>(1,783)</i>	<i>-9.3%</i>	-	-	<i>(9,038)</i>	<i>(8,673)</i>	<i>4.2%</i>
Other operating income/(expense) and tax paid	(597)	(915)	-34.8%	(109)	(160)	-32.5%	-	-	(706)	(1,075)	-34.3%
Net cash flows from operating activities before income tax	10,055	5,139	95.7%	(1,313)	46	NMF	-	-	8,742	5,185	68.6%
Income tax paid	-	(14)	NMF	-	-	NMF	-	-	-	(14)	NMF
Net cash flows from operating activities	10,055	5,125	96.2%	(1,313)	46	NMF	-	-	8,742	5,171	69.1%
Net cash flows from operating activities, excluding IFRS 16	8,214	3,832	NMF	(1,313)	46	NMF	-	-	6,901	3,878	78.0%
Cash flows from investing activities											
Cash outflow on Capex	(11,166)	(7,088)	57.5%	(1,273)	(775)	64.3%	-	-	(12,439)	(7,863)	58.2%
Acquisition of subsidiaries	(541)	-	NMF	-	-	NMF	-	-	(541)	-	NMF
Interest income received	253	492	-48.6%	16	63	-74.2%	-	-	269	555	-51.5%
Proceeds from sale of PPE	16,587	-	NMF	-	-	NMF	-	-	16,587	-	NMF
Dividends and intersegment loans issued/received	(5,327)	(1,152)	NMF	-	-	NMF	-	-	(5,327)	(1,152)	NMF
Net cash flows used in investing activities	(194)	(7,748)	-97.5%	(1,257)	(712)	76.3%	-	-	(1,451)	(8,460)	-82.8%
Cash flows from financing activities											
Payment of finance lease liabilities	(1,037)	(586)	77.0%	-	-	NMF	-	-	(1,037)	(586)	77.0%
Interest expense paid on finance lease	(804)	(707)	13.7%	-	-	NMF	-	-	(804)	(707)	13.7%
Increase/(decrease) in borrowings	(3,272)	9,732	NMF	2,218	(917)	NMF	-	-	(1,054)	8,815	NMF
Interest expense paid	(4,377)	(4,278)	2.3%	(551)	(420)	31.5%	-	-	(4,928)	(4,698)	4.9%
Net cash flows from financing activities	(9,490)	4,161	NMF	1,667	(1,337)	NMF	-	-	(7,823)	2,824	NMF
Net cash flows from financing activities, excluding IFRS 16	(7,649)	5,454	NMF	1,667	(1,337)	NMF	-	-	(5,982)	4,117	NMF
Effect of exchange rates changes on cash and cash equivalents	(2)	(13)	NMF	1	1	NMF	-	-	(1)	(12)	NMF
Net increase/(decrease) in cash and cash equivalents	369	1,525	-75.8%	(902)	(2,002)	-54.9%	-	-	(533)	(477)	11.7%
Cash and bank deposits, beginning	3,892	2,367	64.4%	1,141	3,143	-63.7%	-	-	5,033	5,510	-8.7%
Cash and bank deposits, ending	4,261	3,892	9.5%	239	1,141	-79.1%	-	-	4,500	5,033	-10.6%

SELECTED FINANCIAL INFORMATION – Clinics & Diagnostics, *continued*

BALANCE SHEET	Clinics					Diagnostic					Eliminations			Clinics & Diagnostics				
<i>GEL thousands, unless otherwise noted</i>	Dec-23	Sep-23	Change	Dec-22	Change	Dec-23	Sep-23	Change	Dec-22	Change	Dec-23	Sep-23	Dec-22	Dec-23	Sep-23	Change	Dec-22	Change
Cash and bank deposits	4,261	3,229	32.0%	3,892	9.5%	239	11	NMF	1,141	-79.1%	-	-	-	4,500	3,240	38.9%	5,033	-10.6%
Receivables from healthcare services	6,785	5,219	30.0%	5,273	28.7%	4,862	5,096	-4.6%	5,079	-4.3%	(1,582)	(1,626)	(1,502)	10,065	8,689	15.8%	8,850	13.7%
Property and equipment	46,386	44,046	5.3%	53,414	-13.2%	16,700	15,802	5.7%	16,049	4.1%	-	-	-	63,086	59,848	5.4%	69,463	-9.2%
Right of use assets	21,599	13,939	55.0%	12,593	71.5%	-	-	NMF	-	NMF	-	-	-	21,599	13,939	55.0%	12,593	71.5%
Goodwill and other intangible assets	8,201	10,730	-23.6%	8,358	-1.9%	4,294	4,136	3.8%	2,847	50.8%	-	-	-	12,495	14,866	-15.9%	11,205	11.5%
Inventory	1,004	1,160	-13.4%	1,068	-6.0%	1,846	1,744	5.8%	1,456	26.8%	-	-	-	2,850	2,904	-1.9%	2,524	12.9%
Prepayments	940	1,471	-36.1%	1,949	-51.8%	2,932	4,569	-35.8%	4,543	-35.5%	-	-	-	3,872	6,040	-35.9%	6,492	-40.4%
Other assets	16,613	30,967	-46.4%	8,703	90.9%	768	766	0.3%	760	1.1%	-	-	(25)	17,381	31,733	-45.2%	9,438	84.2%
<i>Of which, securities and intercompany loans</i>	8,357	4,869	71.6%	3,607	NMF	-	-	NMF	-	NMF	-	-	-	8,357	4,869	71.6%	3,607	NMF
Total assets	105,789	110,761	-4.5%	95,250	11.1%	31,641	32,124	-1.5%	31,875	-0.7%	(1,582)	(1,626)	(1,527)	135,848	141,259	-3.8%	125,598	8.2%
Borrowed Funds	42,340	50,833	-16.7%	43,056	-1.7%	6,290	5,920	6.3%	4,196	49.9%	-	-	-	48,630	56,753	-14.3%	47,252	2.9%
Accounts payable	6,797	5,884	15.5%	4,901	38.7%	5,874	7,165	-18.0%	7,424	-20.9%	(1,589)	(1,339)	(1,527)	11,082	11,710	-5.4%	10,798	2.6%
Other liabilities	22,703	18,824	20.6%	12,825	77.0%	1,486	943	57.6%	1,033	43.9%	-	-	-	24,189	19,767	22.4%	13,858	74.5%
Total liabilities	71,840	75,541	-4.9%	60,782	18.2%	13,650	14,028	-2.7%	12,653	7.9%	(1,589)	(1,339)	(1,527)	83,901	88,230	-4.9%	71,908	16.7%
Total shareholders' equity attributable to:	33,949	35,220	-3.6%	34,468	-1.5%	17,991	18,096	-0.6%	19,222	-6.4%	7	(287)	-	51,947	53,029	-2.0%	53,690	-3.2%
Shareholders of the Company	33,558	34,789	-3.5%	34,079	-1.5%	17,991	18,096	-0.6%	19,222	-6.4%	7	(287)	-	51,556	52,598	-2.0%	53,301	-3.3%
Non-controlling interest	391	431	-9.3%	389	0.5%	-	-	NMF	-	NMF	-	-	-	391	431	-9.3%	389	0.5%

Selected ratios and KPIs

Selected ratios and KPIs	4Q23	4Q22	Change	FY23	FY22	Change
Vian (T1)						
EBITDA margin excl. IFRS 16	12.3%	19.7%	-7.4%	16.8%	18.6%	-1.8ppts
Direct salary rate (direct salary as % of revenue)	41.5%	36.3%	5.2%	38.8%	36.1%	2.7ppts
Materials rate (direct materials as % of revenue)	18.9%	17.9%	1.0%	18.4%	19.4%	-1.0ppts
Administrative salary rate (administrative salaries as % of revenue)	13.1%	12.6%	0.5%	13.2%	13.0%	0.2ppts
SG&A rate (SG&A expenses as % of revenue)	6.4%	5.7%	0.7%	5.6%	5.2%	0.4ppts
Number of hospitals	7	7		7	7	
Number of referral hospital beds	1,190	1,190		1,190	1,190	
Bed occupancy rate	54.6%	55.8%	-1.2%	53.5%	55.5%	-2.0ppts
Bed occupancy rate, excluding Tbilisi Referral Hospital and Regional Hospital beds	56.1%	54.5%	1.6%	54.0%	56.6%	-2.6ppts
Bed occupancy rate, Regional Hospital beds	58.5%	65.5%	-7.0%	61.5%	60.5%	1.0ppts
Bed occupancy rate, Tbilisi Referral Hospital beds	41.0%	54.5%	-13.5%	43.3%	44.8%	-1.5ppts
Average length of stay (days)	4.7	5.0	-5.0%	4.9	5.1	-3.6%
Average revenue per hospital bed	177.8	167.1	6.4%	172.8	168.0	2.9%
Georgia Clinics (T2+CC)						
	4Q23	4Q22	Change	FY23	FY22	Change
EBITDA margin excl. IFRS 16	5.0%	18.8%	-13.8%	10.2%	16.5%	-6.3ppts
Direct salary rate (direct salary as % of revenue)	44.0%	36.2%	7.8%	41.2%	36.8%	4.4ppts
Materials rate (direct materials as % of revenue)	17.0%	12.2%	4.8%	15.2%	15.0%	0.2ppts
Administrative salary rate (administrative salaries as % of revenue)	13.6%	12.7%	0.9%	12.6%	12.4%	0.2ppts
SG&A rate (SG&A expenses as % of revenue)	5.4%	5.1%	0.3%	4.8%	4.7%	0.1ppts
Number of regional hospitals (T2)	9	10		9	10	
Number of regional hospital beds	655	775		655	775	
Number of community hospitals (CC)	18	18		18	18	
Number of community hospital beds	380	380		380	380	
				2,225		
Bed occupancy rate, Regional clinics	52.9%	52.2%	0.7%	50.0%	50.2%	-0.2ppts
Average length of stay (days), Regional clinics	4.4	4.4	0.0%	4.6	4.5	2.5%
Average revenue per hospital bed, regional clinics and CC	104.2	104.4	-0.2%	109.5	102.2	7.1%
Polyclinics						
	4Q23	4Q22	Change	FY23	FY22	Change
EBITDA margin excluding IFRS 16	18.7%	3.4%	15.3%	23.7%	12.0%	11.7ppts
Direct salary rate (direct salary as % of revenue)	30.2%	35.1%	-4.9%	31.5%	33.5%	-2.0ppts
Materials rate (direct materials as % of revenue)	3.5%	4.1%	-0.6%	2.9%	4.9%	-2.0ppts
Number of polyclinics	18	17		18	17	
Pharmacy and distribution						
	4Q23	4Q22	Change	FY23	FY22	Change
EBITDA margin excluding IFRS 16	7.4%	9.8%	-2.4%	9.4%	9.7%	-0.3ppts
Number of bills issued in mln	8.2	8.5	-3.5%	31.3	31.0	1.0%
Average bill size	20.6	18.7	10.2%	19.8	19.0	4.2%
Revenue from wholesale as a percentage of total revenue from pharma	20.4%	19.7%	0.7%	20.6%	21.4%	-0.8ppts
Revenue from retail as a percentage of total revenue from pharma	79.6%	80.3%	-0.7%	79.4%	78.6%	0.8ppts
Revenue from para-pharmacy as a percentage of retail revenue from pharma	40.1%	38.6%	1.5%	39.7%	36.5%	3.2ppts
Number of pharmacists	2,916	2,843		2,916	2,843	
Total number of pharmacies, of which:	412	372	40	412	372	40
Georgia	397	362	35	397	362	35
Armenia	15	10	5	15	10	5
	-	-	-	-	-	-
Medical insurance						
	4Q23	4Q22	Change	FY23	FY22	Change
Loss ratio	73.9%	77.5%	-3.6%	78.2%	81.0%	-2.8ppts
Expense ratio, of which:	18.5%	17.3%	1.2%	16.4%	18.3%	-1.9ppts
Commission ratio	3.9%	4.6%	-0.7%	4.2%	4.8%	-0.6ppts
Combined ratio	92.4%	94.8%	-2.4%	94.6%	99.3%	-4.7ppts
Renewal rate	77.3%	83.9%	-6.6%	81.8%	77.4%	4.4ppts
Diagnostics						
	4Q23	4Q22	Change	FY23	FY22	Change
EBITDA margin excluding IFRS 16	7.2%	NMF	NMF	6.5%	3.3%	3.2ppts
Number of patients served ('000)	201	214	-5.9%	779	982	-20.7%
Number of tests performed ('000)	654	627	4.3%	2,470	2,426	1.8%
Average revenue per test GEL	7.6	6.8	11.8%	7.5	8.4	-10.7%
Average number of tests per patient	3.2	2.9	10.3%	3.2	2.5	28.0%