



Investor presentation

Fourth quarter and full year of 2023 results

An extract from parent company's, Georgia capital PLC, results file while for the full version they can refer to the following link: [Financial Results | Georgia Capital](#)

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: impact of COVID-19; regional instability; 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 1H21 Result Announcement and in Georgia Capital PLC's Annual Report and Accounts 2020. 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.

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RETAIL (PHARMACY) BUSINESS OVERVIEW



412

Pharmacies in total



14

The Body Shop stores

Afflelou 3

Optics – Alain Afflelou

carter's® 4

Children's apparel – Carter's

Triumph 2

Women's apparel – Triumph

397

in Georgia

15

in Armenia

8

in Georgia

2

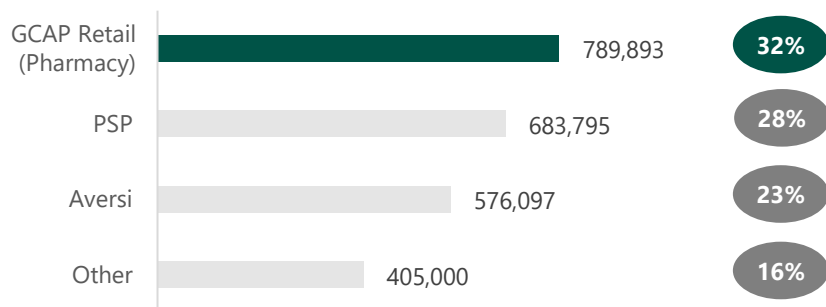
in Armenia

4

in Azerbaijan

Country's largest retailer in terms of both, revenue and number of bills issued

Market share by revenue, 2022¹



Our retail pharmacy operates under two pharmacy brands, each with a distinct positioning:

- > **GPC** for the high-end customer segment
- > **Pharmadepot** for the mass retail segment

Key focus areas in medium and long-term

Expanding retail footprint in Georgia

- > Continued growth of para-pharmacy share in total revenues, which carry considerably higher profit margins and are not subject to state regulation

International expansion

- > Explore international investment opportunities within the region

Increase sales from E-commerce

- > Operate e-commerce in Armenia and Azerbaijan

Supporting the core

- > Expand highly synergetic product and service mix in new format GPC drugstore



Next 5-year targets

- Double digit revenue & EBITDA CAGR
- 9%+ EBITDA margin



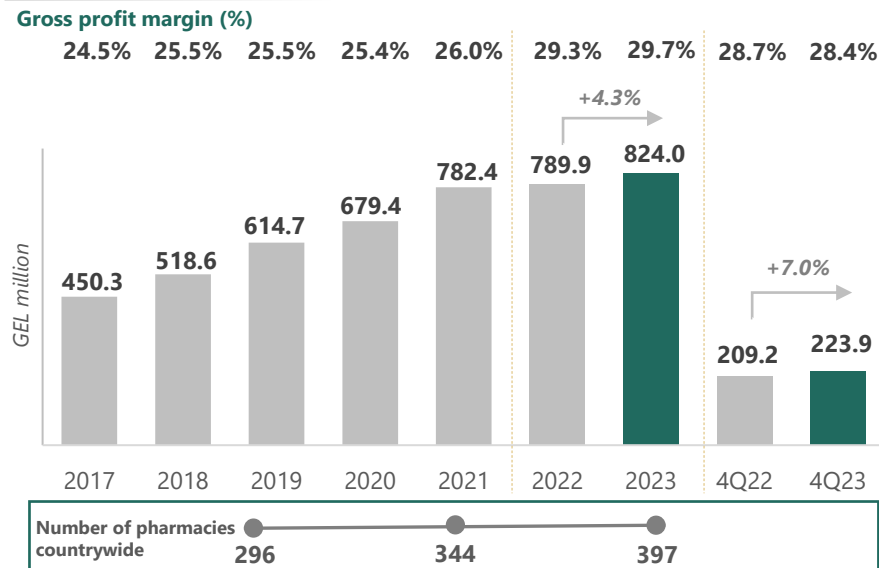
RETAIL (PHARMACY) BUSINESS OVERVIEW (CONT'D)

Margin enhancement and strong growth in para-pharmacy sales:

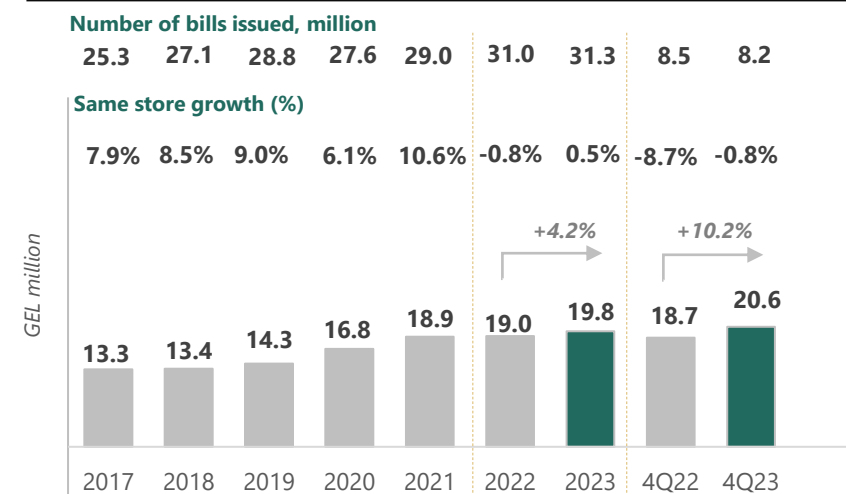
Para-pharmacy sales have the strongest margins and the share of para-pharmacy sales in retail revenue reached 40.1% as of 4Q23 (38.6% as of 4Q22).

CASH FLOW HIGHLIGHTS ¹	4Q23	FY23
Operating cash flow	GEL 34.2m	GEL 52.4m
Change y-o-y	51.2%	-32.1%
EBITDA to cash conversion	207.7%	67.3%
Change y-o-y	96.8ppts	-32.9ppts
Free cash flow	GEL 20.6m	GEL -56.1m
Change y-o-y	9.0%	NMF

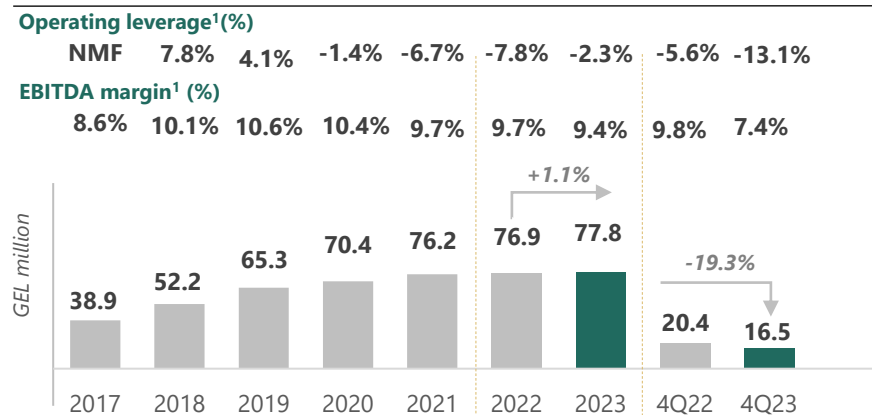
REVENUE



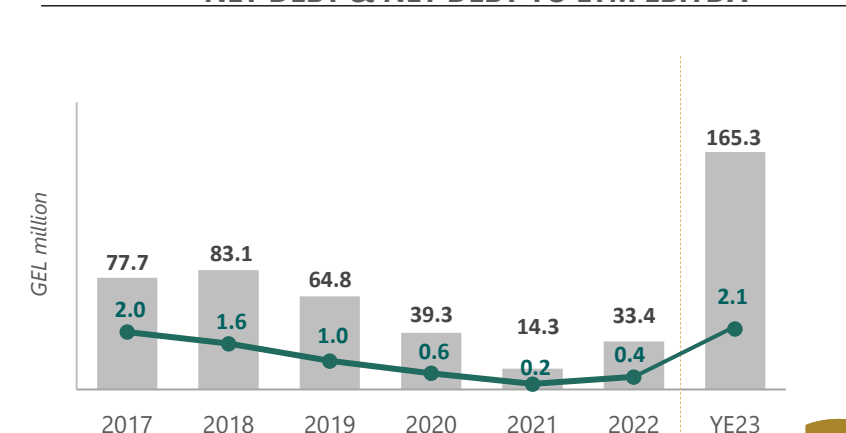
AVERAGE BILL SIZE & NUMBER OF BILLS ISSUED



EBITDA¹



NET DEBT & NET DEBT TO LTM EBITDA¹



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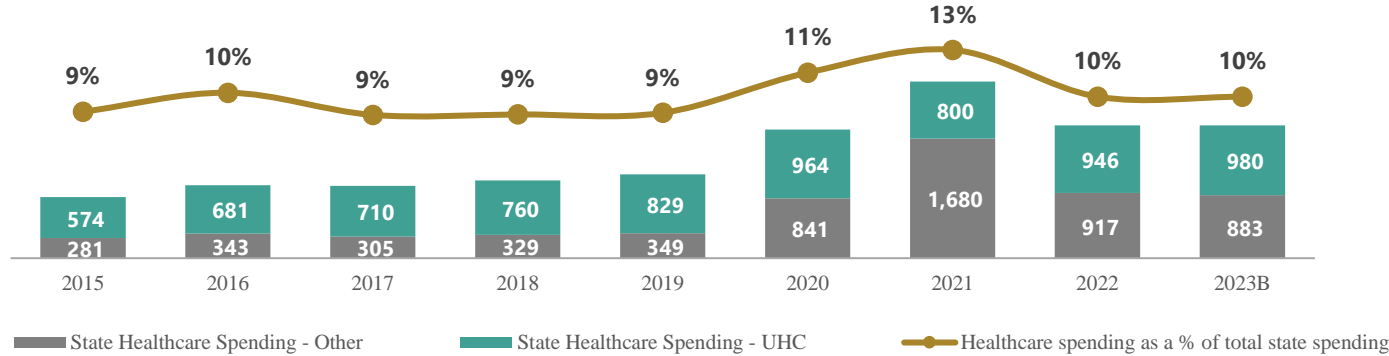
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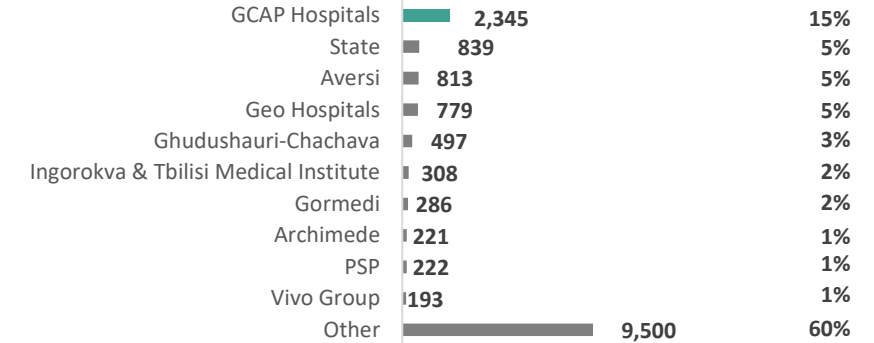
HOSPITALS BUSINESS OVERVIEW

State healthcare spending, GEL millions



- Country's expenditure on healthcare as a % of GDP reached 4.0%.
- Government spending on healthcare accounts to c.10% of total budget in 2023

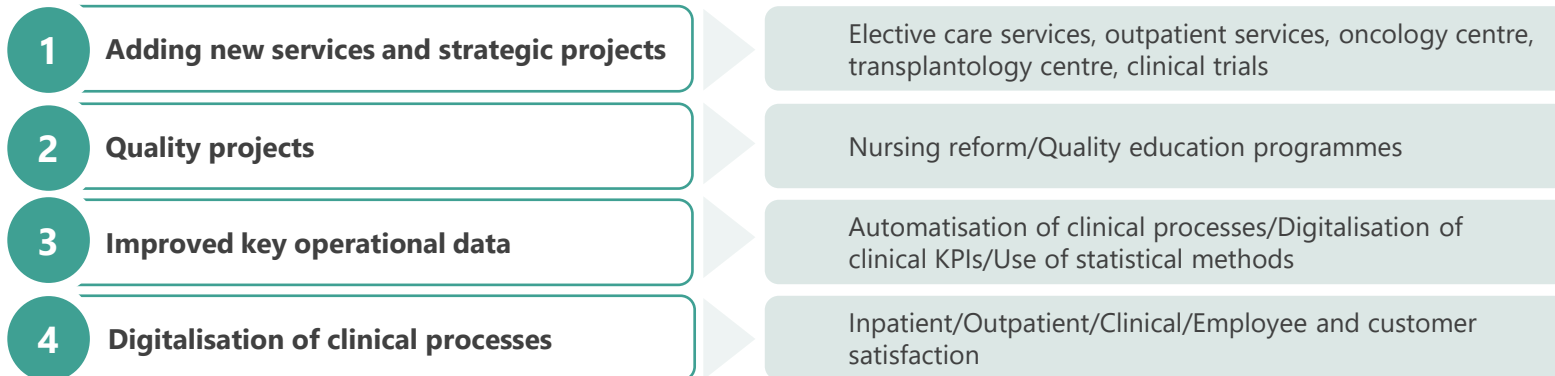
Market share by number of beds, GEL millions



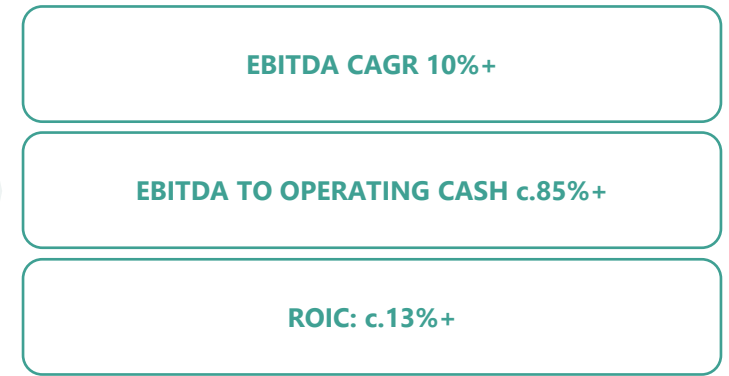
Source: GHG internal reporting

- The largest healthcare service provider in Georgia: [15%] market share by number of hospital beds.
- Covering three-quarters of Georgia's population.

Key focus areas in medium and long-term



Next 5-year targets





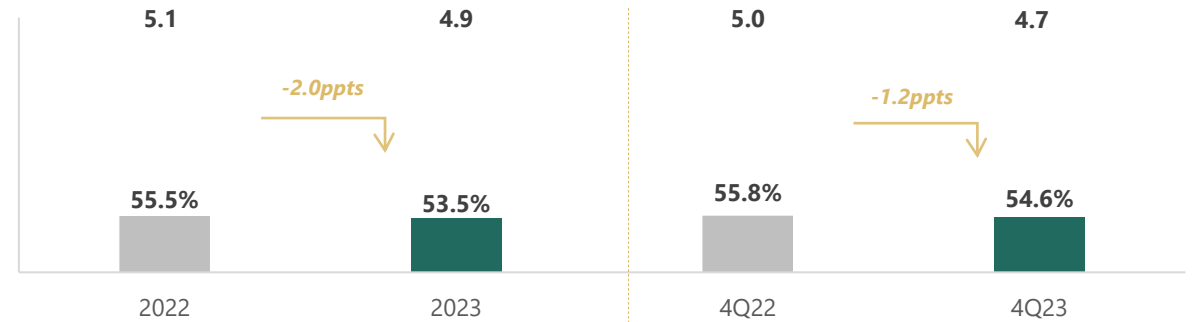
HOSPITALS BUSINESS OVERVIEW (CONT'D)

CASH FLOW HIGHLIGHTS¹

	4Q23	FY23
Operating cash flow	GEL (4.2)m	GEL 10.6m
Change y-o-y	NMF	-70.5%
EBITDA to cash conversion	NMF	23.1%
Change y-o-y	NMF	-40.3ppts
Free cash flow	GEL (17.2)m	GEL (35.1)m
Change y-o-y	NMF	NMF

BED OCCUPANCY RATE¹

Average length of stay



7

Number of large and specialty hospitals

27

Number of regional and community hospitals

KGEL 172.8

Revenue per referral bed

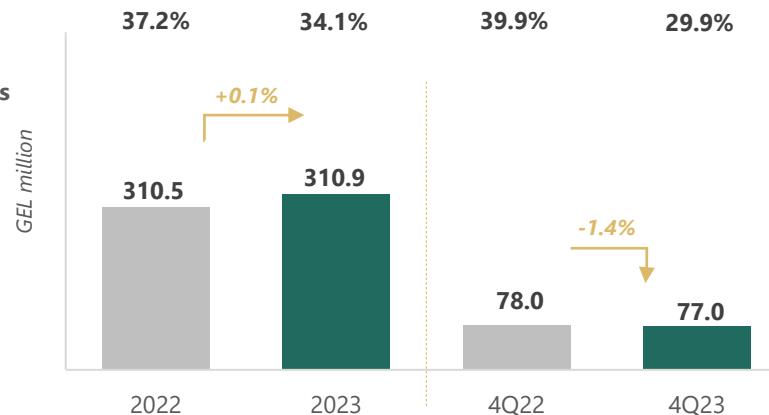
51

Emergency cars

In Tbilisi and regions

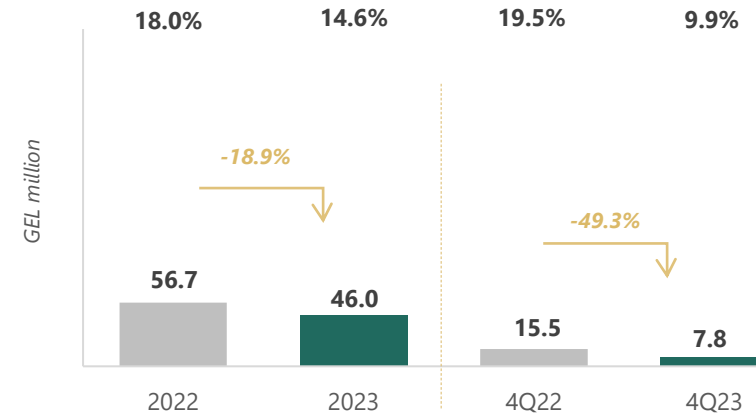
NET REVENUE

Gross profit margin (%)



EBITDA²

EBITDA margin (%)¹



Georgia Capital PLC | General note: 2019 and 2020 numbers are adjusted to exclude HTMC hospital, sold in August 2020.

1. Only large and specialty hospitals are included.

2. Excluding IFRS 16 impact.

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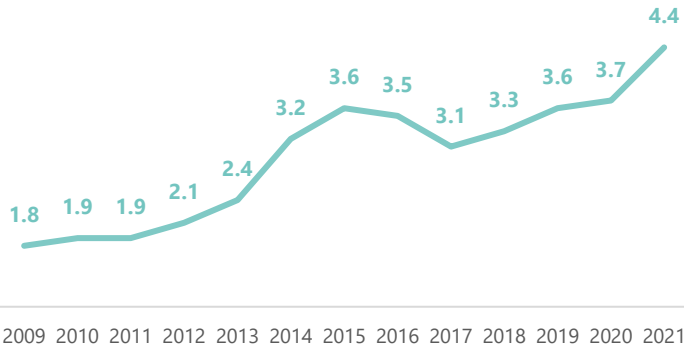
04 MEDICAL INSURANCE BUSINESS OVERVIEW



POLYCLINICS & DIAGNOSTICS BUSINESS OVERVIEW

HIGH GROWTH PROSPECTS IN THE CLINICS BUSINESS

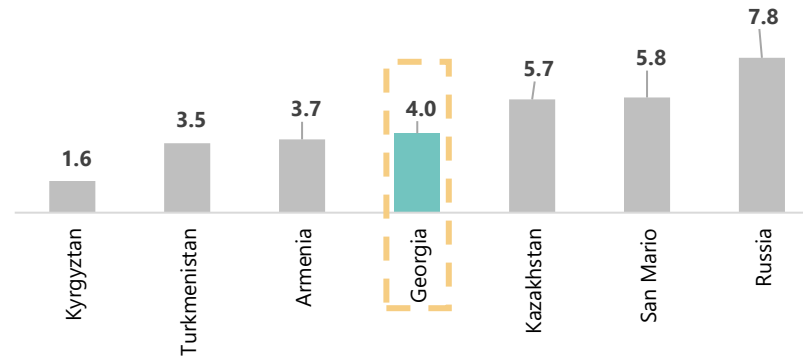
Outpatient visits per capita, Georgia



2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021

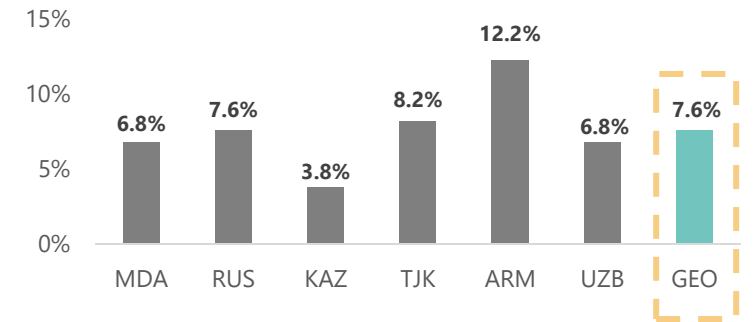
Source: NCDC statistical yearbook 2021

Outpatient encounters per capita



Source: WHO 2021

Government Expenses on Primary Care VS GDP



Source: WHO 2020

MEDIUM TERM OBJECTIVES

Polyclinics

- > Adding new services
- > Geographic expansion
- > Developing distance channels
- > Adding customer base

Diagnostics

- > Expansion of retail
- > Attracting B2B clients
- > Digitalisation

Combined financial targets
for Clinics and Diagnostics
for the next 5-years
(2021-2026)

DOUBLE DIGIT REVENUE CAGR

EBITDA C.GEL 35-40+ MILLION



POLYCLINICS & DIAGNOSTICS BUSINESS OVERVIEW (CONT'D)

Polyclinics (4Q23)

DIAGNOSTICS (4Q23)

18

Polyclinics

Outpatient diagnostic and treatment services in Tbilisi and major regional cities

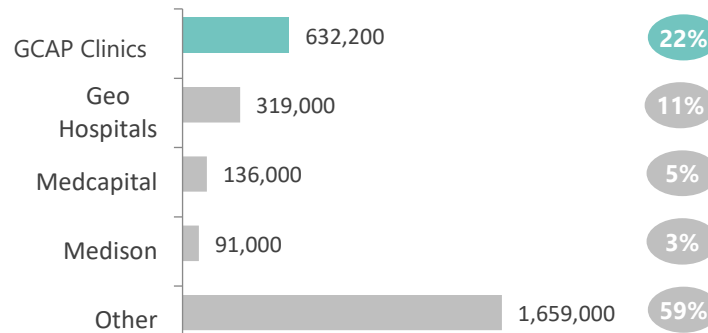
c.406,000

Registered patient in Georgia

c.301,000

Registered patient in Tbilisi

Market share by number of registered patients*



*As of 30-Sep-23.

c.201,000

Number of patients served

3.2

Average number of tests per patient

c.654,000

Number of tests performed

GEL 7.4

Average revenue per test (excluding COVID-19)

19%

Retail portion in total revenue

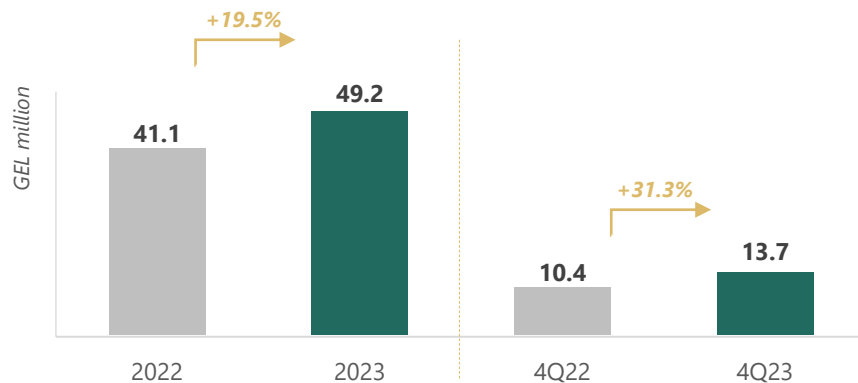
NET REVENUE, POLYCLINICS

EBITDA, POLYCLINICS (excl. IFRS 16)

EBITDA, DIAGNOSTICS (excl. IFRS 16)

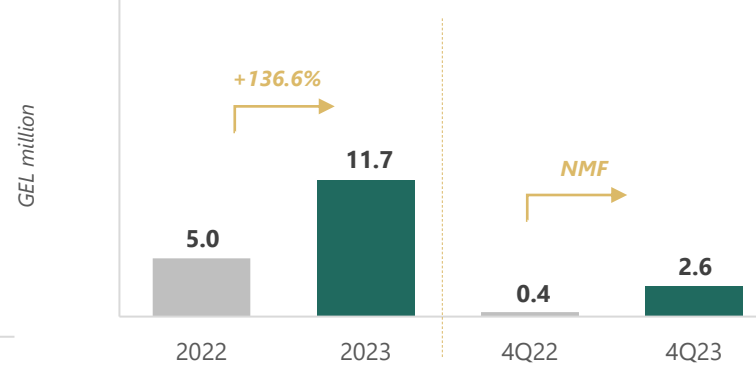
Gross profit margin (%)

46.0% 49.7% 41.4% 50.8%



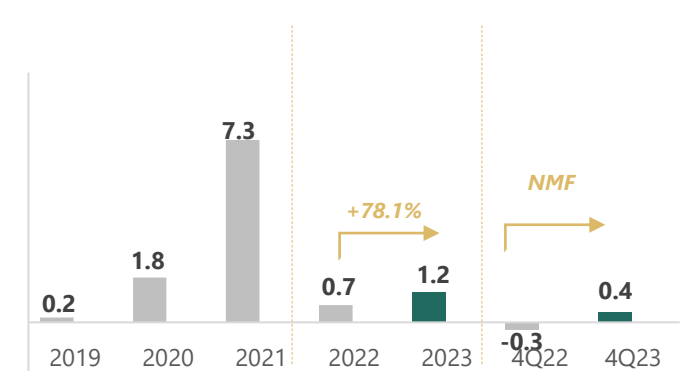
EBITDA margin (% excl. IFRS 16)

12.0% 23.7% 3.4% 18.7%



EBITDA margin (% excl. IFRS 16)

3.2% 12.3% 23.8% 3.3% 6.5% NMF 7.2%



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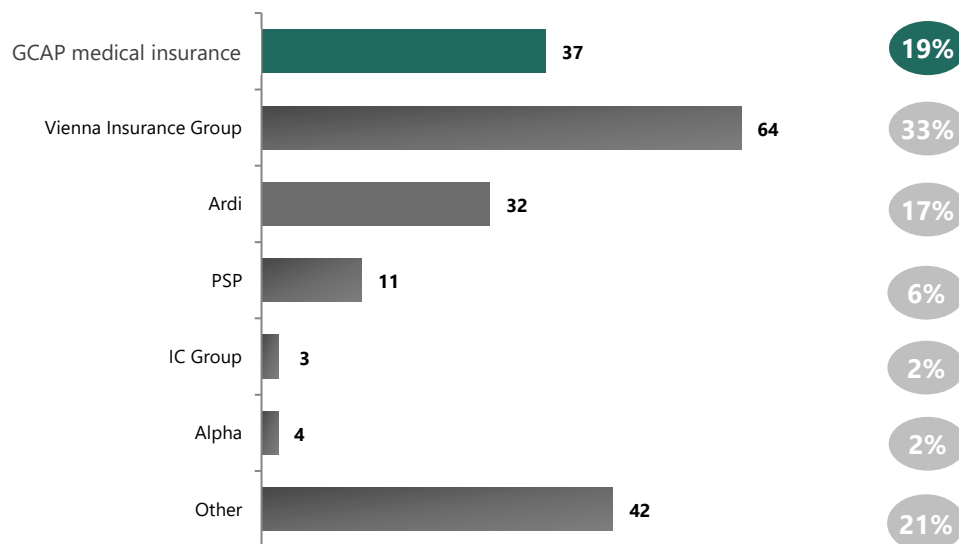
MEDICAL INSURANCE BUSINESS OVERVIEW




Largest medical insurer in the country with 19%¹ market share Offering a variety of medical insurance products, with a wide distribution network to the Georgian population

BUSINESSES MAJOR GROWTH DRIVERS

Market share by net premium revenue¹



 **c.169,000**
Number of insured clients

- Increase market share by growing the book
- Increase “managed flow” through customer-centric process
- Enhance gross profit through distribution of non-PMI² products to the book – developing “fee business”

Medium to long-term targets

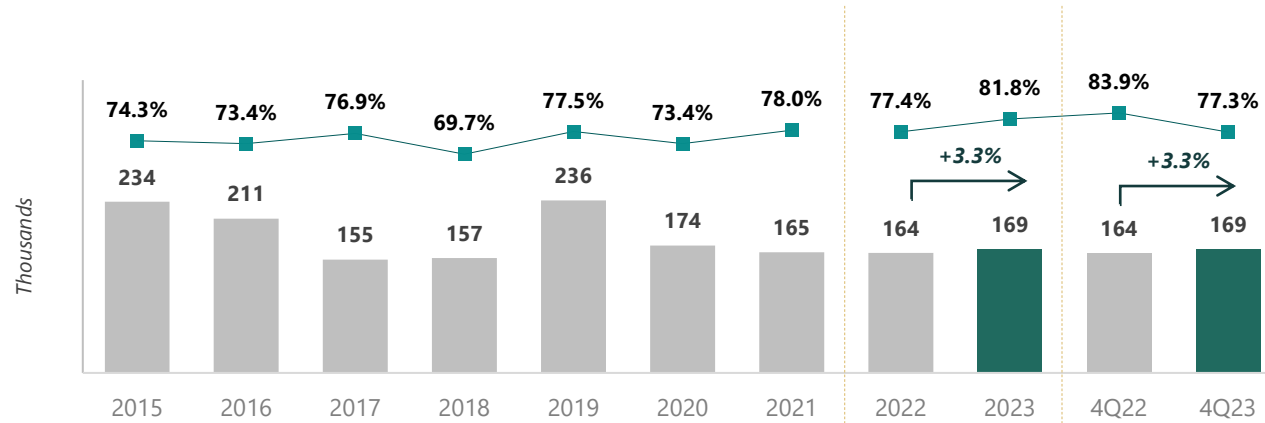
- Combined ratio <97%



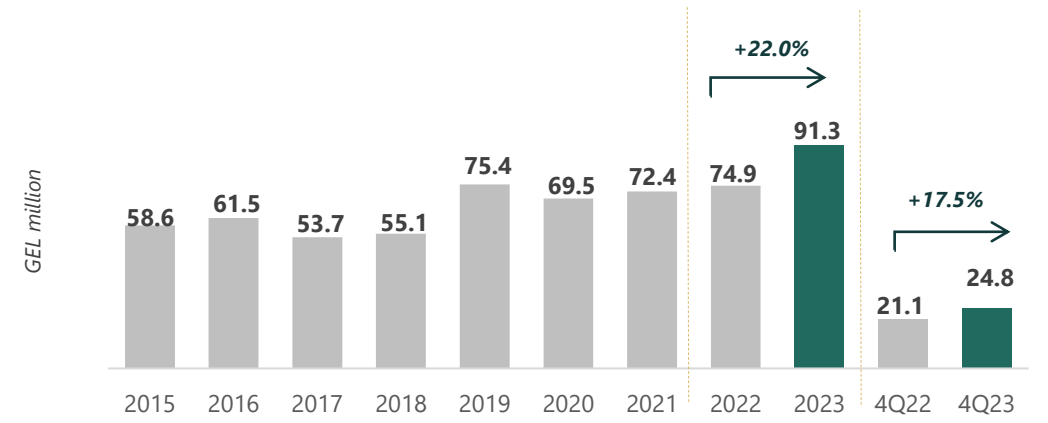
MEDICAL INSURANCE BUSINESS OVERVIEW (CONT'D)



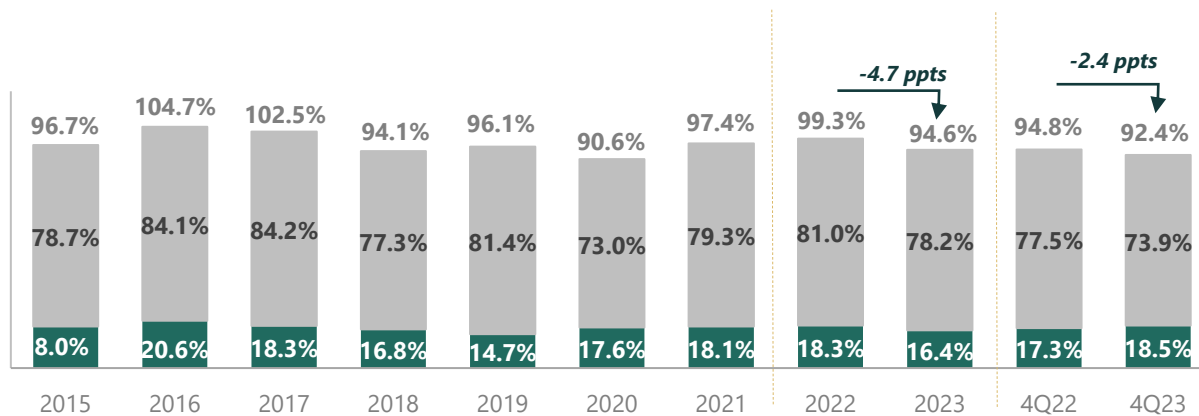
NUMBER OF INSURED & RENEWAL RATE



REVENUE (NET INSURANCE PREMIUMS EARNED)



COMBINED RATIO



NET PROFIT

