



***Georgia Healthcare Group announces the acquisition of two largest corporate medical insurance clients***

Georgia Healthcare Group (the “Group” or “GHG”) announces that its medical insurance business has recently won two large tenders, retaining the country’s largest insurance client - the Ministry of Internal Affairs (“MIA”) with c.75,000 insured and acquiring a significant new corporate client – the Ministry of Defense (“MOD”) with c.60,000 insured. As a result, we expect the number of GHG’s insured individuals to increase and reach approximately 230,000 in 2019.

The MIA contract was initially won in December 2017 for a one-year term and the contract has been successfully extended for another year (FY 2019). By incentivising the use of GHG healthcare facilities the contract generated significant synergies in 2018, increasing the claims retention rate within the Group by 320 bps y-o-y in 9M18, reaching 38.6%.

The MOD contract, previously one of our largest insured clients, was allowed to expire in January 2017 due to its high loss ratio. This year, due to renegotiated contractual terms and applying incentives similar to the MIA contract, we expect significant additional synergies to arise from the MOD contract as well.

“Our medical insurance business has implemented significant initiatives and changes during the last 18 months, which has resulted in a solid contribution to the Group’s EBITDA and profit. Today, I am very pleased to see that these positive trends continue to support our business expansion strategy. With the increased client base GHG’s insurance business became the largest private payer in the healthcare sector, further ensuring profitable growth and significant synergies across the Group.” commented **Nikoloz Gamkrelidze**, CEO of Georgia Healthcare Group.

Name of authorised official of issuer responsible for making notification:  
Ketevan Kalandarishvili, Head of Investor Relations

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**About Georgia Healthcare Group PLC**

Georgia Healthcare Group PLC is a UK incorporated holding company of the largest healthcare services provider in the fast-growing, predominantly privately-owned, Georgian healthcare services market. GHG’s leadership position is underpinned by offering the most comprehensive range of inpatient and outpatient services targeting the mass market segment through its vertically integrated network of 37 hospitals and 16 district polyclinics. GHG is the single largest market participant, accounting for 25% of total hospital bed capacity in the country, as of 30 September 2018. GHG is also the largest pharmaceuticals retailer and wholesaler in Georgia, with approximately 30% market share by revenue. GHG is the second largest provider of medical insurance in Georgia with a 27% market share based on net insurance premiums earned and approximately 158,000 insurance customers as at September 2018. GHG employed a total of c.15,500 people as at 30 September 2018, including c.3,600 physicians and 2,900 pharmacists.

For further information, please visit [ghg.com.ge](http://ghg.com.ge) or contact:

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