



Investor presentation

First quarter 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.

CONTENTS



01 RETAIL (PHARMACY) BUSINESS OVERVIEW

02 HOSPITALS BUSINESS OVERVIEW

03 CLINICS & DIAGNOSTICS BUSINESS OVERVIEW

04 MEDICAL INSURANCE BUSINESS OVERVIEW



RETAIL (PHARMACY) BUSINESS OVERVIEW



378

Pharmacies in total

368

in Georgia

10

in Armenia



9

The Body Shop stores

5

in Georgia

2

in Armenia

2

in Azerbaijan



1

Optics – Alain Afflelou

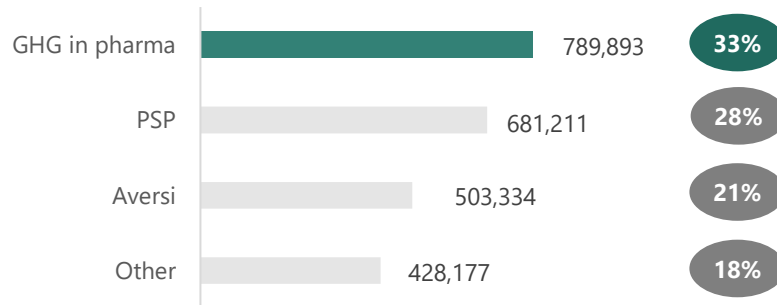


1

Children's apparel – Carter's

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

Market share by revenue, 2021¹



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

- > c.400 pharmacies in 5 years

International expansion (Armenia & Azerbaijan)

- > Adding new GPC stores in Armenia (currently 10)
- > Entering Azerbaijan market

Increase sales from E-commerce

- > Increase local sales from e-commerce (GEL 6.5 million in 1Q23)
- > Launch e-commerce in Armenia & Azerbaijan

Supporting the core

- > Expanding the mix of synergetic products and services
- > Add international franchises on different beauty and other retail products



Next 5-year targets

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



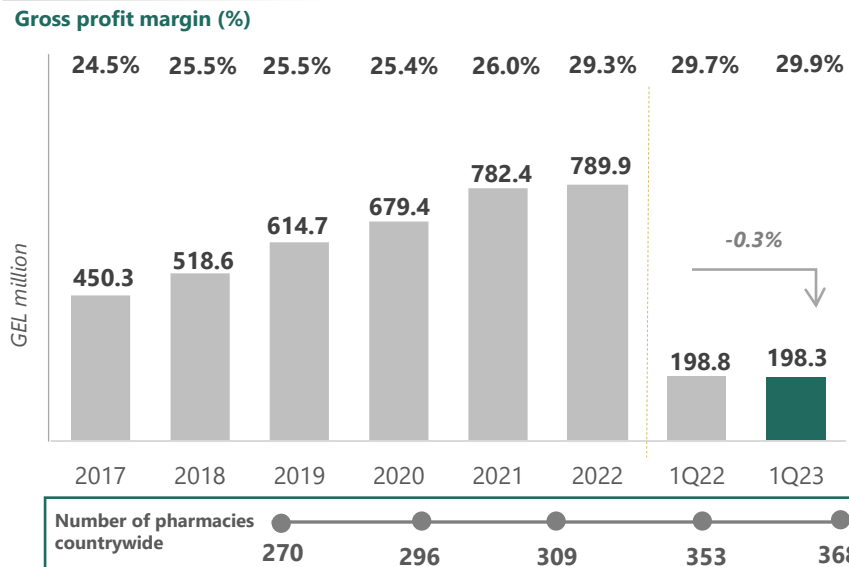
RETAIL (PHARMACY) BUSINESS OVERVIEW (CONT'D)

Margin enhancement and strong growth in para-pharmacy sales:

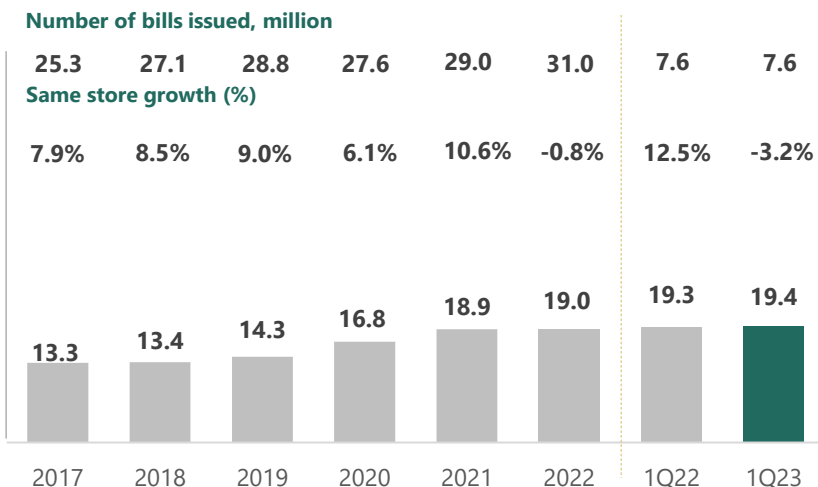
Para-pharmacy sales have the strongest margins and the share of para-pharmacy sales in retail revenue reached 37.6% as of 1Q23 (34.5% as of 1Q22).

CASH FLOW HIGHLIGHTS ¹	1Q22	1Q23	Change y-o-y
Operating cash flow ¹	GEL 16.8m	GEL 14.6m	-13.3%
EBITDA to cash conversion ¹	81.5%	71.0%	-10.5ppts
Free cash flow ¹	GEL -2.0m	GEL 19.5m	NMF

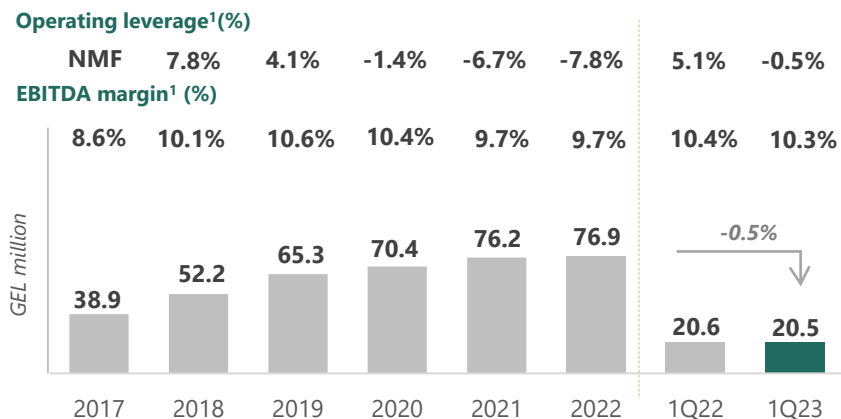
REVENUE



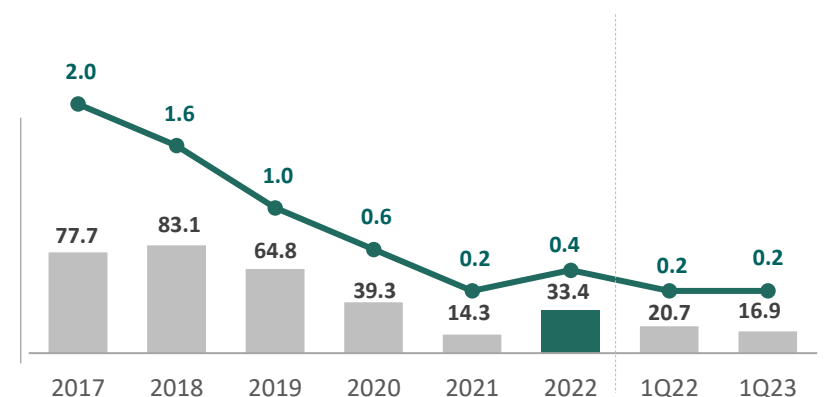
AVERAGE BILL SIZE & NUMBER OF BILLS ISSUED



EBITDA¹



NET DEBT & NET DEBT TO LTM EBITDA¹



CONTENTS



01 RETAIL (PHARMACY) BUSINESS OVERVIEW

02 HOSPITALS BUSINESS OVERVIEW

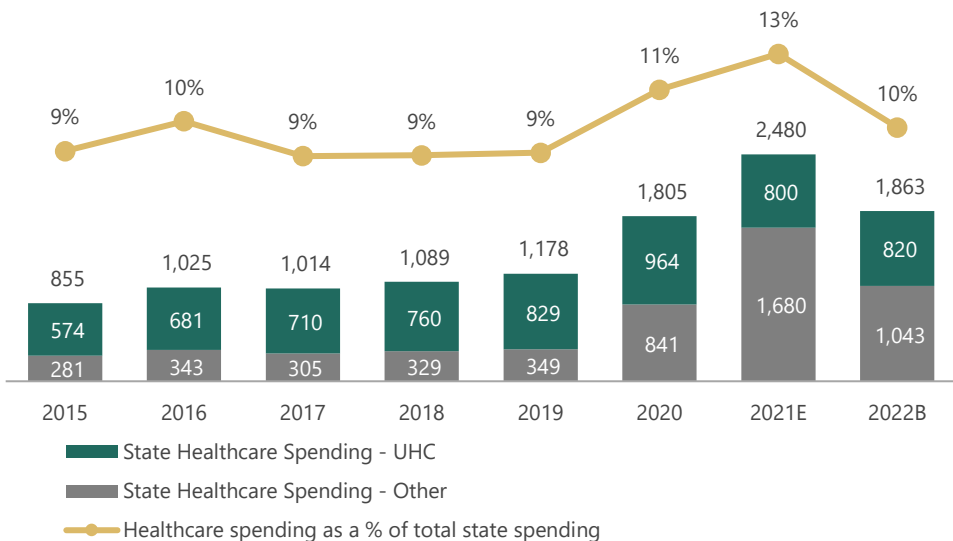
03 CLINICS & DIAGNOSTICS BUSINESS OVERVIEW

04 MEDICAL INSURANCE BUSINESS OVERVIEW



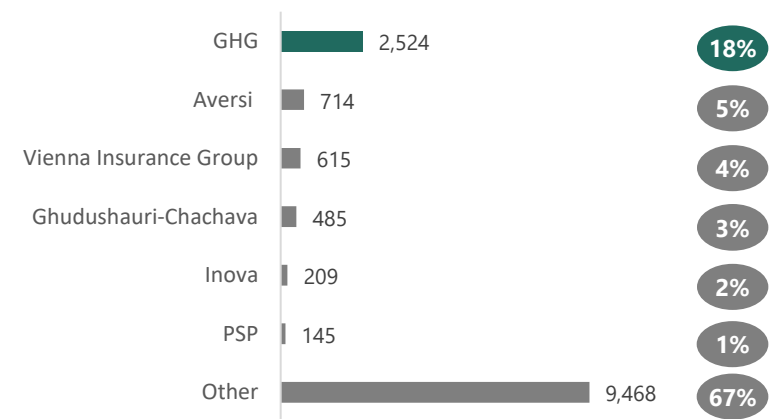
HOSPITALS BUSINESS OVERVIEW

State healthcare spending, GEL millions



- Since 2020 Government spending increased to manage the COVID - 19 in the country
- Country's expenditure on healthcare – 3.7% of GDP in 2020 (from 2.4% in 2019)
- Government spending on healthcare accounts c.13% of total budget in 2021

Market share by number of beds¹



- **The largest healthcare service provider in Georgia:** 15% market share by number of hospital beds.
- **Covering 3/4 of Georgia's population.**

Key focus areas in medium and long-term

1 Adding new services and strategic projects	Ambulance, oncology centre, transplantology center, radiology hub, medical tourism clinical trials, post COVID programmes
2 Quality projects	Nursing reform/CRM development/Quality education programmes
3 Improved key operational data	Automatisation of clinical processes in hospitals/Digitalisation of clinical KPIs/Use of statistical methods
4 Digitalisation of clinical processes	Inpatient/Outpatient/Clinical/Employee and customer satisfaction

Next 5-year targets

EBITDA CAGR 10%+
EBITDA TO OPERATING CASH c.85%+
ROIC: c.13%+



HOSPITALS BUSINESS OVERVIEW (CONT'D)

CASH FLOW HIGHLIGHTS¹

	1Q22	1Q23	Change y-o-y
Operating cash flow ¹	GEL 10.6	GEL -3.0m	NMF
EBITDA to cash conversion ¹	-21.9%	70.2%	-92.0ppts
Free cash flow ¹	GEL 8.6m	GEL -9.4m	NMF

16

Number of referral hospitals

2,524

Number of referral hospital beds

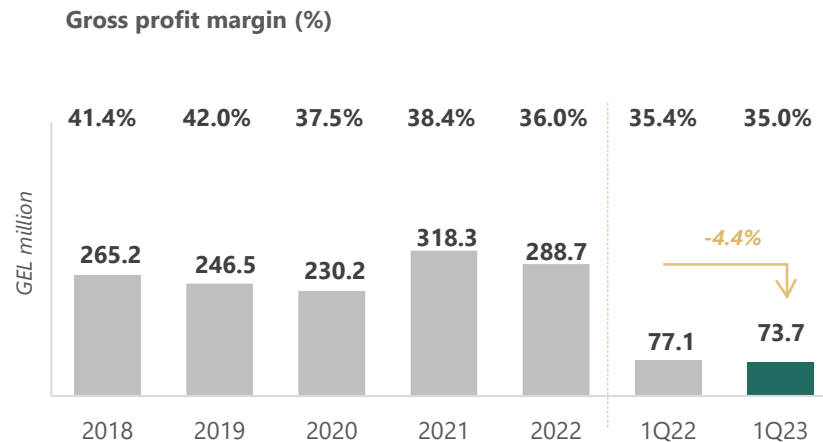
KGEL 117.8

Revenue per referral bed

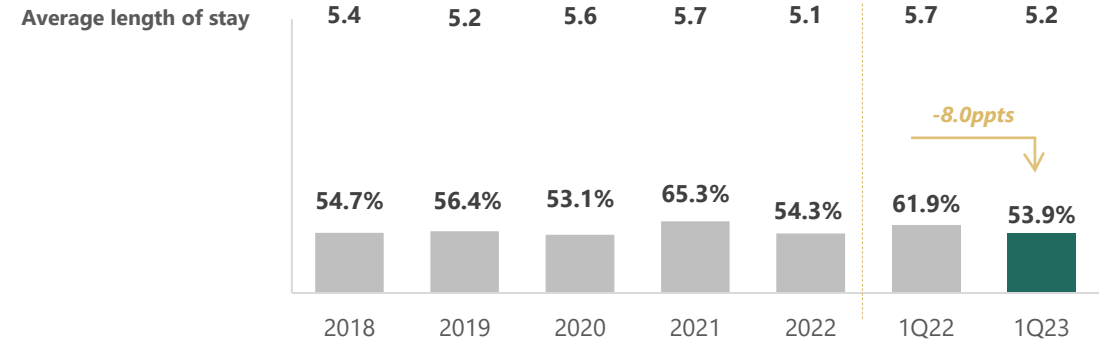
72

Emergency cars
In Tbilisi and regions

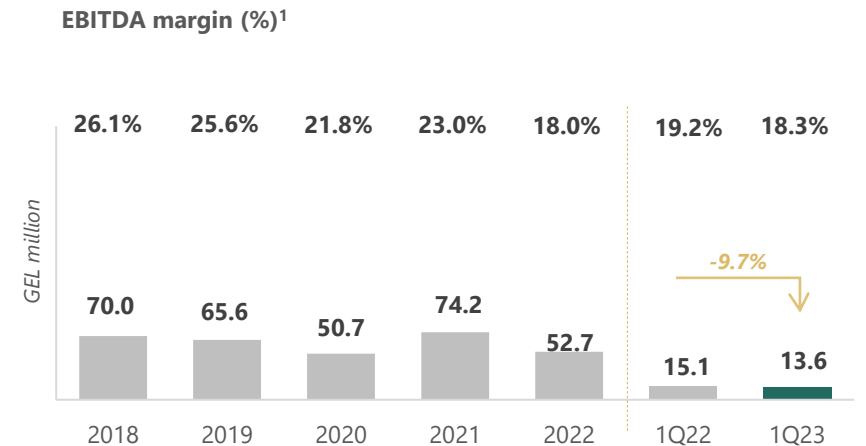
NET REVENUE



BED OCCUPANCY RATE



EBITDA¹



CONTENTS



01 RETAIL (PHARMACY) BUSINESS OVERVIEW

02 HOSPITALS BUSINESS OVERVIEW

03 CLINICS & DIAGNOSTICS BUSINESS OVERVIEW

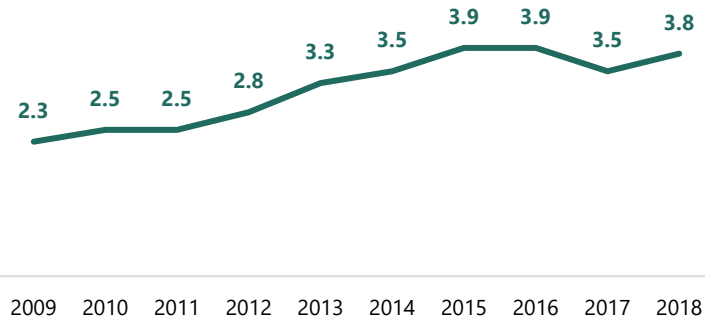
04 MEDICAL INSURANCE BUSINESS OVERVIEW



CLINICS & DIAGNOSTICS BUSINESS OVERVIEW

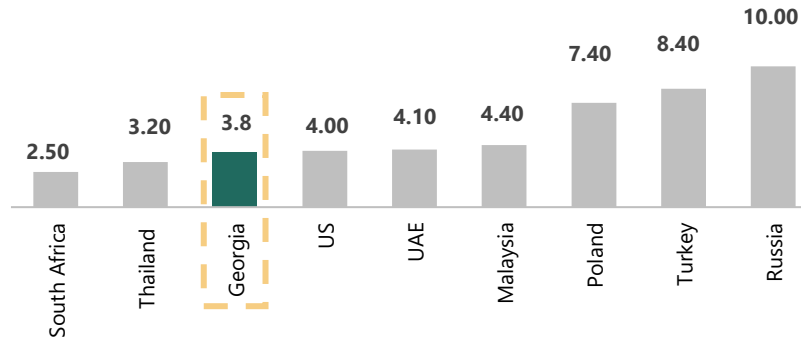
HIGH GROWTH PROSPECTS IN THE CLINICS BUSINESS

Outpatient visits per capita, Georgia



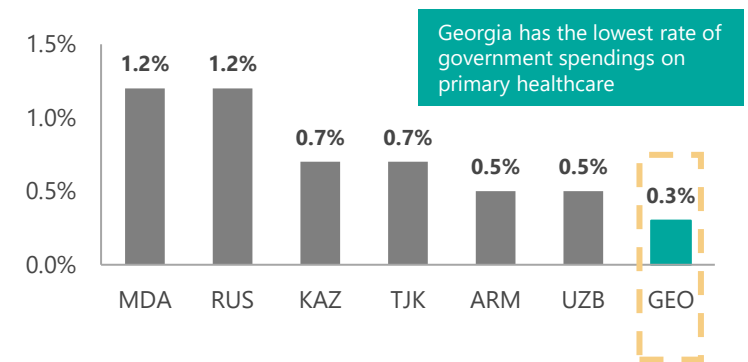
Source: NCDC statistical yearbook 2018

Outpatient encounters per capita



Source: Frost and Sullivan Analysis 2017

Government Expenses on Primary Care VS GDP



Source: WHO regional office for Europe

MEDIUM TERM OBJECTIVES

Clinics & Polyclinics

- > Adding new services
- > Geographic expansion
- > Developing distance channels
- > Sustainable growth of clinical & service quality
- > Adding customer base

Diagnostics

- > Expansion of retail
- > Attracting B2B clients
- > Improved logistics
- > JCI and CAP accreditation
- > 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+



CLINICS & DIAGNOSTICS BUSINESS OVERVIEW (CONT'D)

CLINICS

DIAGNOSTICS (1Q23)

19

Community Clinics

Outpatient and basic inpatient services in regional towns and municipalities

21%

Market share by registered patients

353

Number of community clinics beds

17

Polyclinics

Outpatient diagnostic and treatment services in Tbilisi and major regional cities

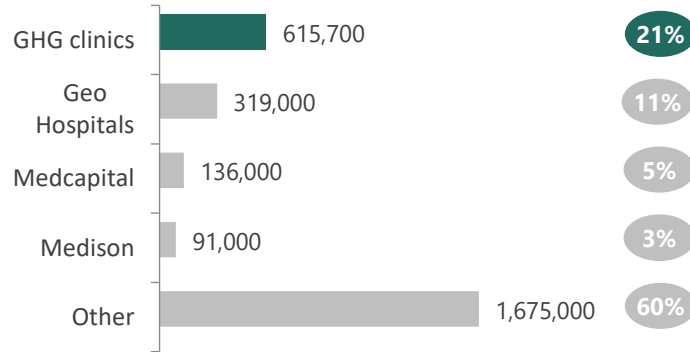
279,815

Registered patient in Tbilisi

617,293

Registered patient in Georgia

Market share by number of registered patients



c.207,000

Number of patients served

3.0

Average number of tests per patient

c.619,000

Number of tests performed

GEL 6.9

Average revenue per test (excluding COVID-19)

20%

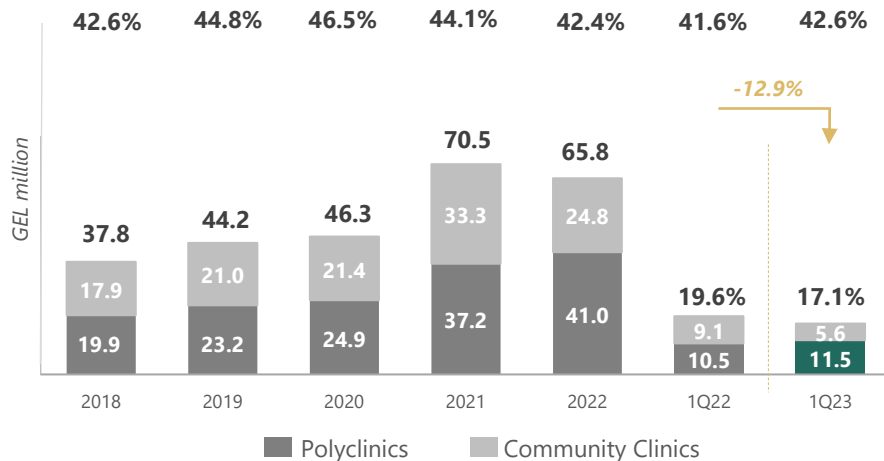
Retail portion in total revenue

5%

COVID tests portion in total revenue

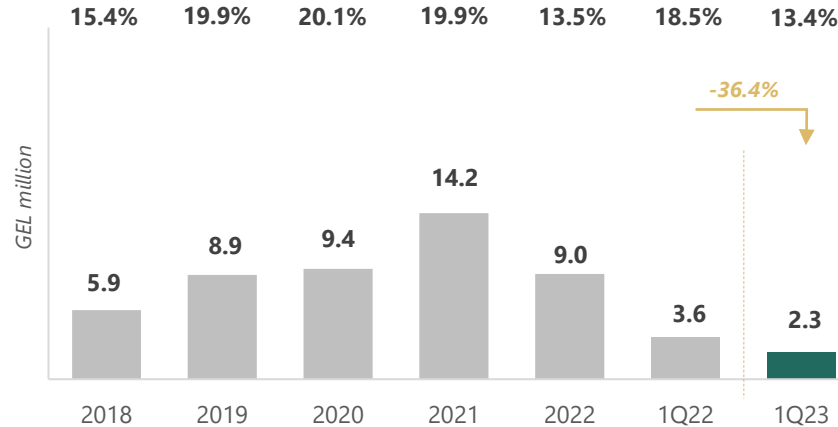
NET REVENUE, CLINICS

Gross profit margin (%)



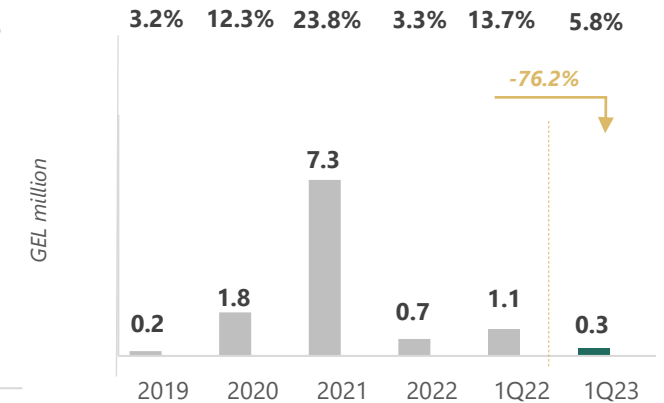
EBITDA, CLINICS (excl. IFRS 16)

EBITDA margin (% excl. IFRS 16)



EBITDA, DIAGNOSTICS (excl. IFRS 16)

EBITDA margin (% excl. IFRS 16)



CONTENTS



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02 HOSPITALS BUSINESS OVERVIEW

03 CLINICS & DIAGNOSTICS BUSINESS OVERVIEW

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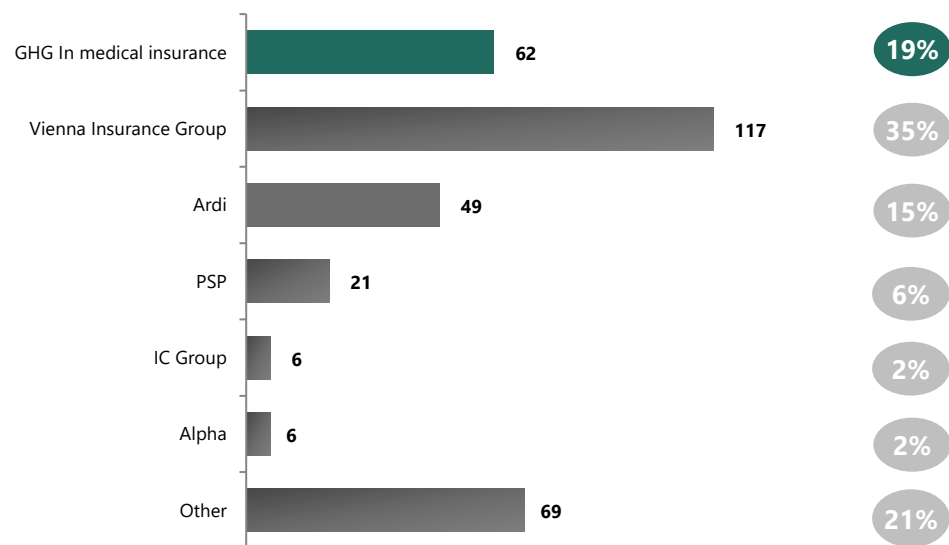
MEDICAL INSURANCE BUSINESS OVERVIEW



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 gross premium revenue¹



 **c.170,000**
Number of insured clients

- Growing the number of insured clients
- Enhancing gross profit through the introduction of “fee business” (such as motor Casco distribution, motor Third Party Liability distribution)

Medium to long-term targets

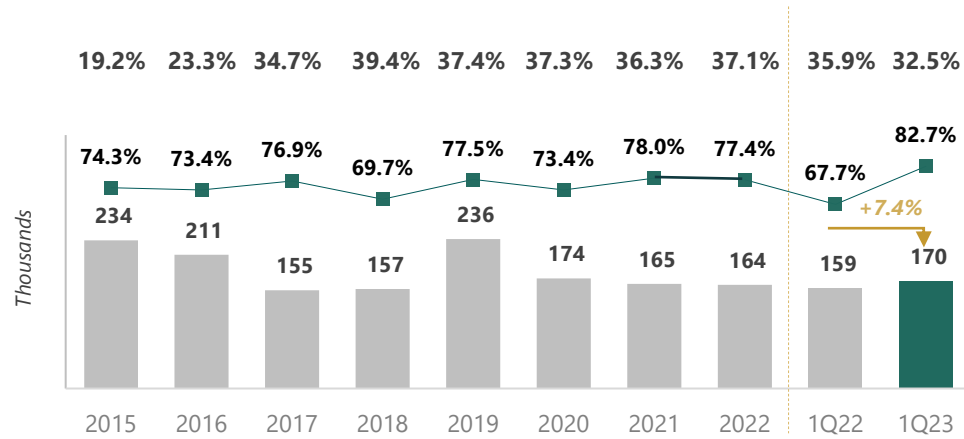
- Combined ratio <97%



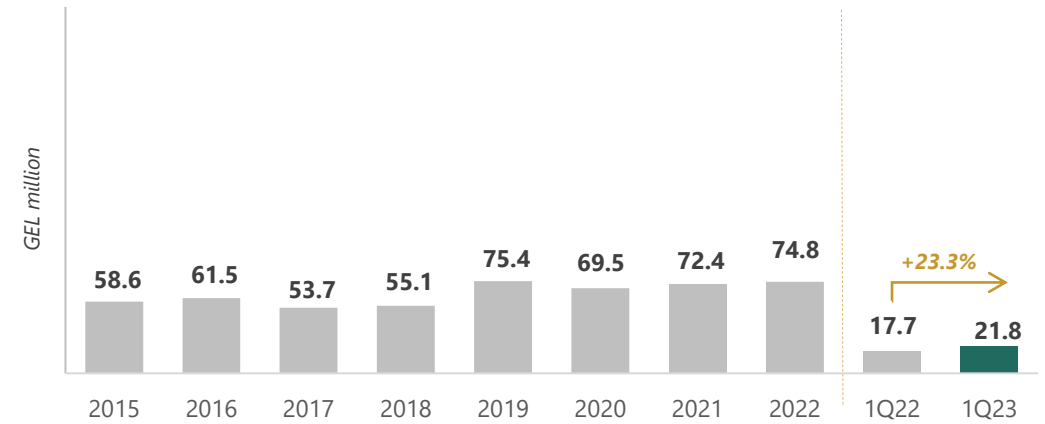
MEDICAL INSURANCE BUSINESS OVERVIEW (CONT'D)



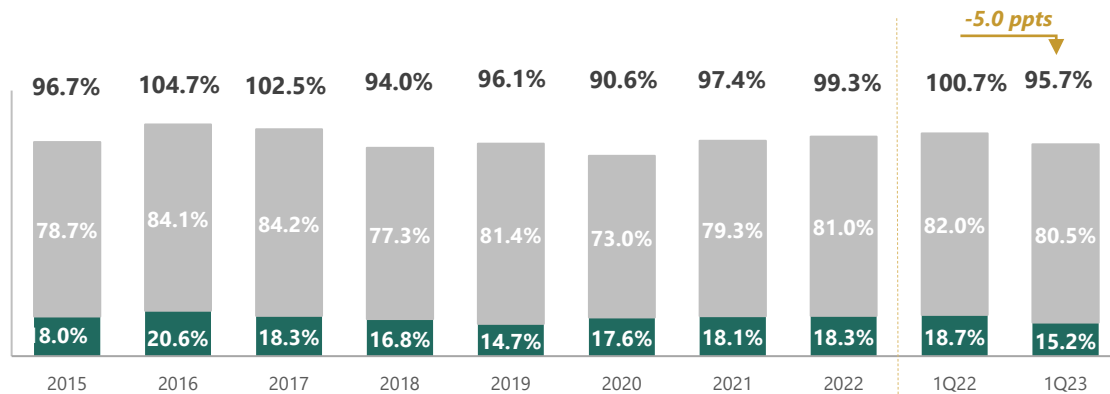
NUMBER OF INSURED & RENEWAL RATE



REVENUE (NET INSURANCE PREMIUMS EARNED)



COMBINED RATIO



NET PROFIT

