

GHG performance and strategy

Speaker: Nikoloz Gamkrelidze, CEO

Georgia Day

UK, London / October 2018

ghg.com.ge



❁ **GHG overview**

❁ Business 2018 performance

❁ Progress towards long-term KPI's

❁ GHG focus and strategy going forward

❁ Annexes



GHG - The largest fully integrated healthcare provider and the only scalable player in the region

GHG businesses

Healthcare services

Referral hospitals & Clinics

16 referral hospitals with 2,825 beds	21 community clinics with 495 beds	17 district polyclinics 24 express outpatient clinics
providing secondary and tertiary level healthcare services	providing primary out - and inpatient healthcare services	providing primary outpatient services

Pharmacy and distribution

Pharmacies & Wholesale

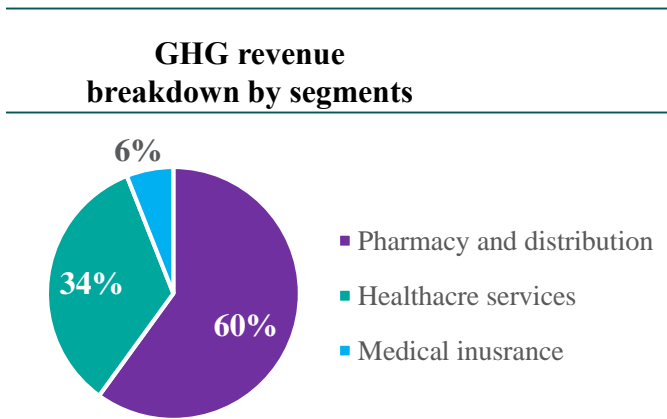
259 pharmacies	Wholesale
21 of which are located in our healthcare facilities	c. 25% revenue from wholesale to medium sized players and hospitals

Medical insurance

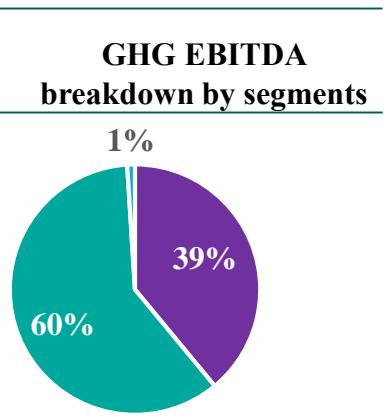
Corporate packages

157,000 individuals insured

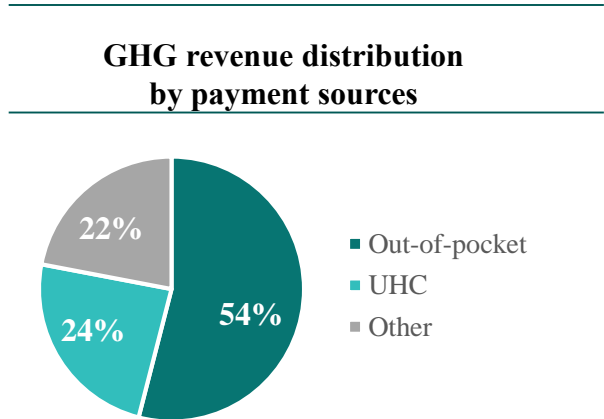
c.40% claims retained within the Group



1H18 Revenue - GEL 419.5 mln



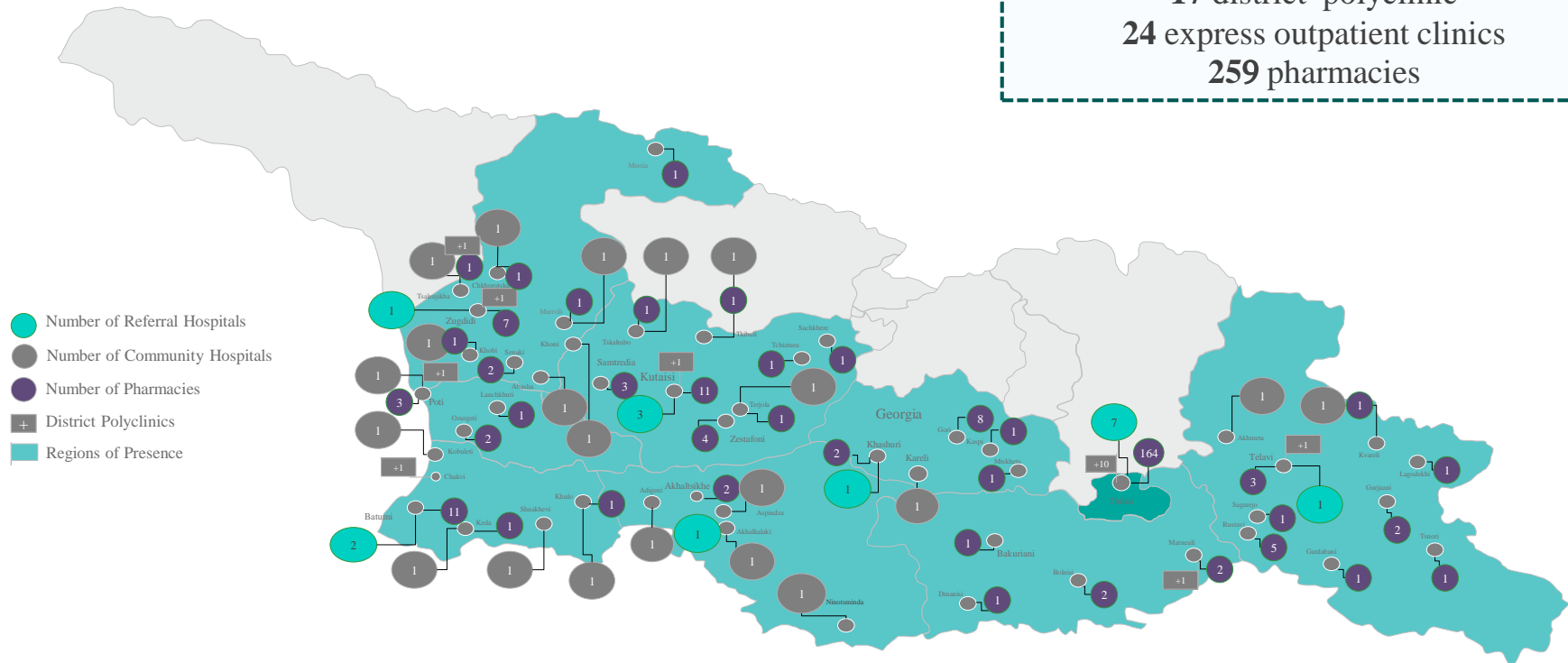
1H18 EBITDA - GEL 62.6 mln





Network of healthcare facilities and pharmacies Covering 3/4 of Georgia's population

3,320 hospital beds
16 referral hospitals
21 community clinics
17 district polyclinic
24 express outpatient clinics
259 pharmacies



Sources: GHG internal reporting



GHG – leader in Georgian healthcare ecosystem

Healthcare services (Hospitals)

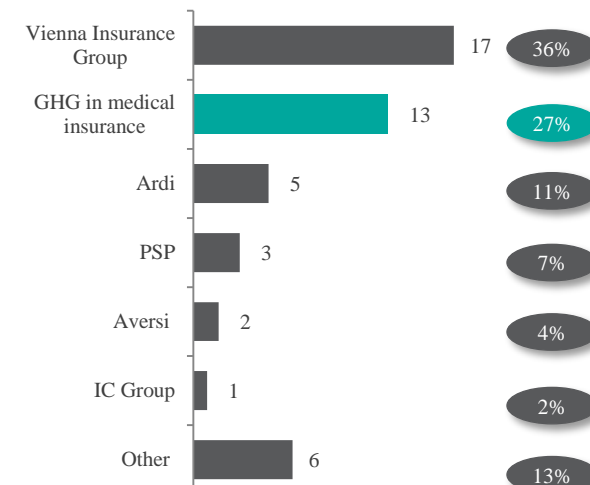
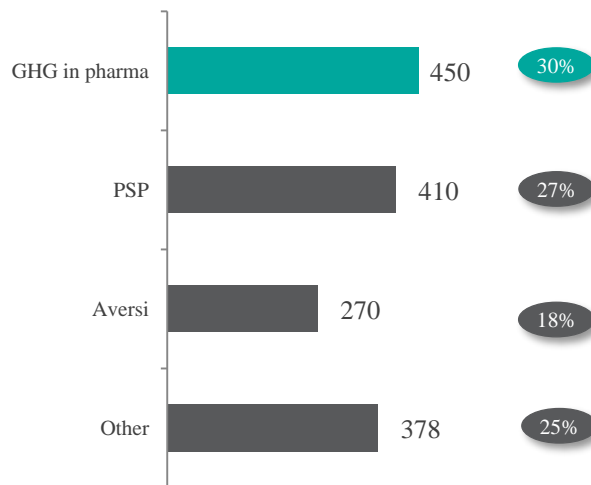
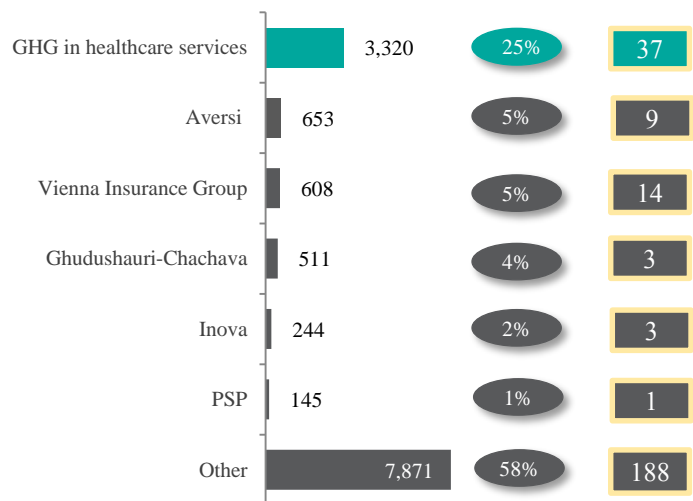
(Number of Beds as of June 2018)⁽¹⁾

Pharmacy and distribution

(Revenue, 2017 GEL millions)⁽²⁾

Medical Insurance

(Gross premium revenue 1Q18, GEL million)⁽³⁾



● Market share
 ■ Number of hospitals



- The number of GHG's beds are increasing in line with its expansion strategy
- Increased competition is mainly coming from small and medium sized hospitals

Market beds dynamic:	2016 ⁽⁴⁾	2017 ⁽⁵⁾	1H18 ¹
Total number of beds	10,948	12,284	13,352
Competitors	8,391	9,270	10,032
GHG	2,557	3,014	3,320
GHG market share	23.4%	24.5%	24.9%

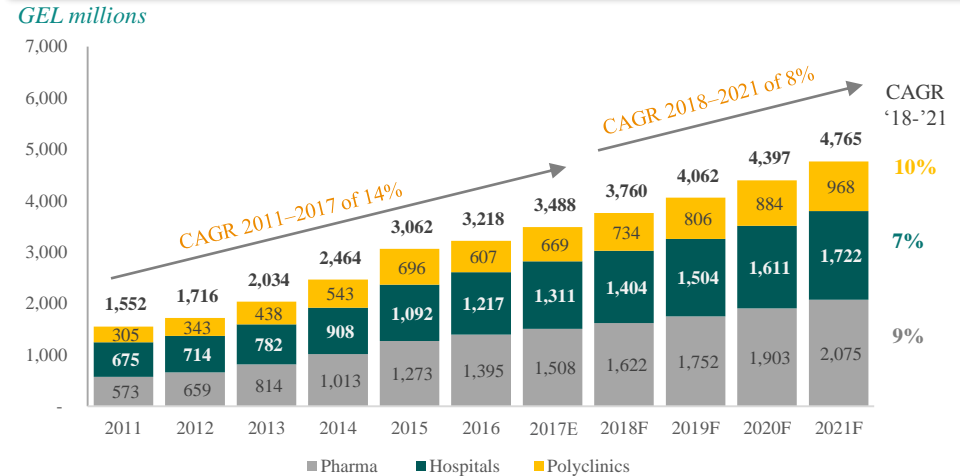
Sources:
 (1) NCDC, data as of December 2017, updated by GHG to include changes before 30 June 2018; excluding speciality beds
 (2) Total market Frost & Sullivan analysis 2017. Revenue distribution between competitors represents managements estimates.
 (3) Insurance State Supervision Service Agency of Georgia as of 31 March 2018

(4) NCDC, data as of December 2015, updated by GHG to include the changes before December 2016; excluding speciality beds
 (5) NCDC, data as of December 2016, updated by GHG to include the changes before December 2017; excluding speciality beds

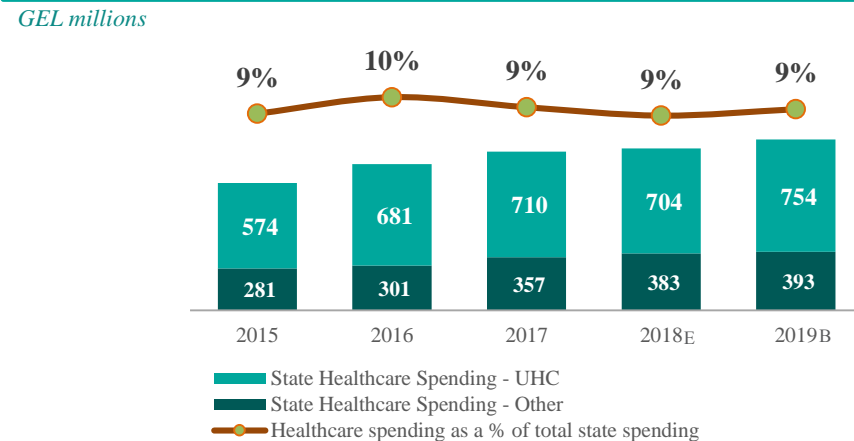
- In 2018 total healthcare market is estimated at GEL 3.8 billion
- Country's expenditure on healthcare - c.9% of GDP
- C.30% of total healthcare expenditure is financed by the State
- Government expenditure on healthcare as a % of GDP reached c.3% from 1.6% in 2013
- Government spending on healthcare accounts c.9% of total budget
- State is in line with healthcare budget in 2018

Source: GHG internal reporting

Growth in healthcare market expected to continue



State financing of healthcare



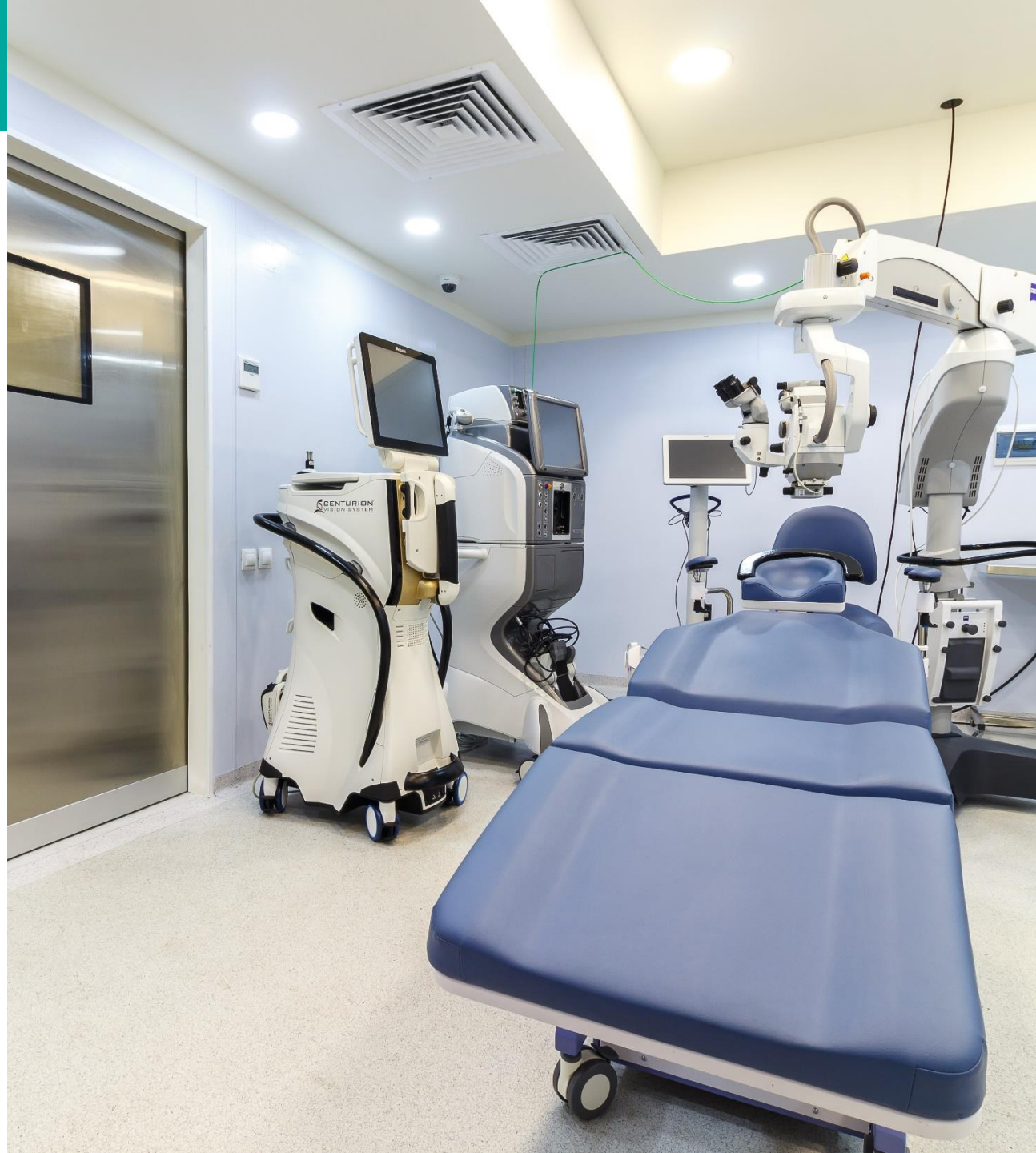


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16 referral hospitals

- 2,825 beds
- 22% market share by beds in Tbilisi
- 85% revenue share in healthcare services business
- US\$ 42,000 revenue per referral hospital bed in 1H18
- Bed occupancy rate¹ in 1H18 - 57.8%
- Bed occupancy rate without newly launched Regional Hospital and Tbilisi Referral Hospitals beds in 1H18 - 65.8%
- Average length of stay² in 1H18 - 5.5 days





21 community clinics

- 495 beds
- 8% revenue share in healthcare services business
- Average bed occupancy rate¹ in 1H18 - 27.5%
- Average length of stay² in 1H18 - 4.2 days



Successful launch of 306 bed Regional Hospital

- Since 3Q18 the hospital has already started to generate positive EBITDA
- Occupancy level c.15% in 2Q18 – within four months of hospital's opening
- Gross Revenue reached GEL 5.3 million in 2Q18, up 340.9% q-o-q
- More than 75% of revenue comes from elective care services
- More than 50% of revenue is paid out-of-pocket - in line with our initial plan



Key services offered

- Ophthalmology
- Gynecology
- General Surgery
- Neurosurgery
- Angio surgery
- Trauma/orthopedics
- Urology
- Interventional Cardiology

Services to be added in coming months

- Cardio surgery – October 2018
- Mammalogy – September 2018
- Onco hematology inpatient department – October 2018

Update on 332 bed Tbilisi Referral Hospital

- Since 1Q18 the hospital started to generate positive EBITDA
- Occupancy level reached c.40% in 2Q18
- Gross Revenue reached GEL 4.1 million in 2Q18, up 10.6% q-o-q

Key services offered

- Ophthalmology
- Gynecology
- General Surgery
- Neurosurgery
- Angio surgery
- Trauma/orthopedics
- Urology
- Interventional Cardiology

Services to be added in coming months

- Cardio surgery – October 2018
- Oncological surgery – October 2018
- ENT surgery – October 2018
- Ophthalmology – November 2018





Investing in service development to cover existing service gaps in the country

- **Retaining Georgian citizens that used to seek treatment overseas**
- **Service export to foreign patients**
- In last three years we have launched more than 120 new services in our different hospitals, including some basic services such as ophthalmology and cardio surgery, as well as sophisticated ones such as liver transplant, transplantation of bone marrow and paediatric kidney transplant
- In 2018, we are planning to launch services including hybrid vascular surgery and minimally invasive cardiac surgery
- In polyclinics adding aesthetic and dental services

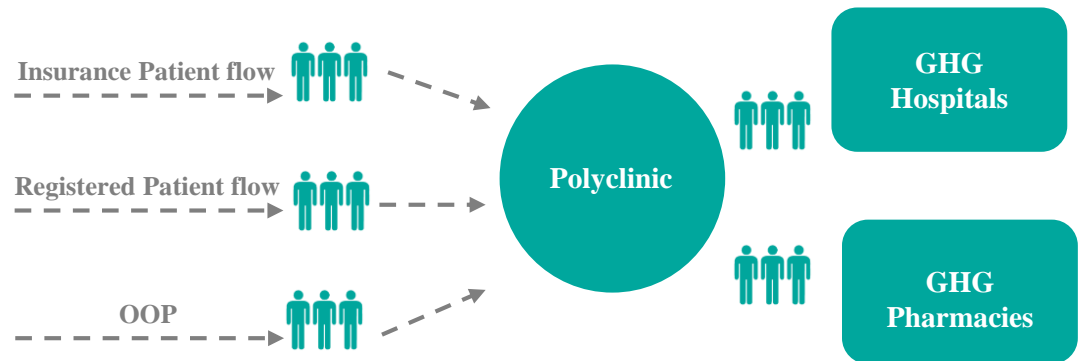
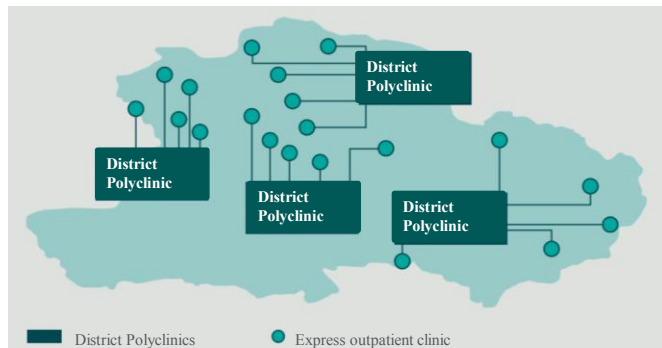




Update on polyclinics

Increasing the number of patients at our Polyclinics

Currently GHG operates 17 polyclinics and 24 express clinics
The Polyclinic business is to become the number one tool for customer acquisition at GHG



We are in line with our target of c.200K registered patients by early 2019





New generation of doctors and clinical quality development

We invest in the next generation of doctors and nurses, and position ourselves as the employer of choice



GHG residency programme

- The total number of specialties reached 25
- Currently, we have 172 talented residents involved in 23 specialties

GHG Doctor & Nurses Retraining Programs

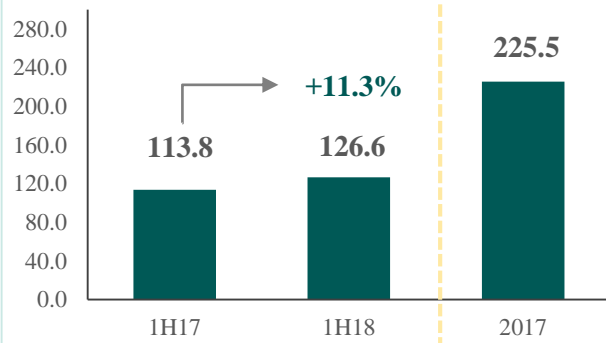
In 2018, 1,000 doctors completed training programmes in seven different specialties and 539 nurses in four different specialities

- **High quality clinical key performance indicator monitoring systems are implemented in all our referral hospitals**
- **In 2018 we have developed projects related to antibiotic stewardship, that covers surgical prophylactic antibiotic therapy and rational antibiotic therapy improvement, implementation of which are already started in our referral hospitals**
- **Liver transplantation – since 2014 the number of completed surgeries reached 24, mortality rate comparable with the international benchmark**

Healthcare services – financial performance overview

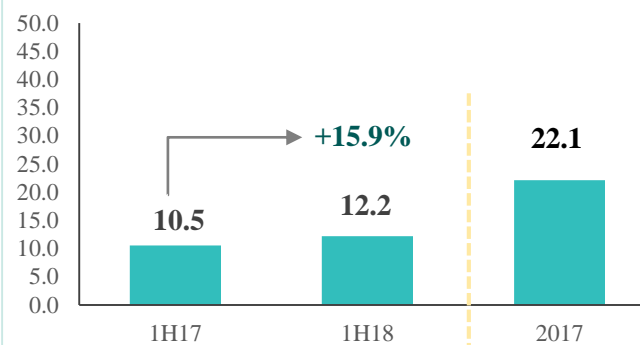
Referral hospitals revenue

(GEL, millions)



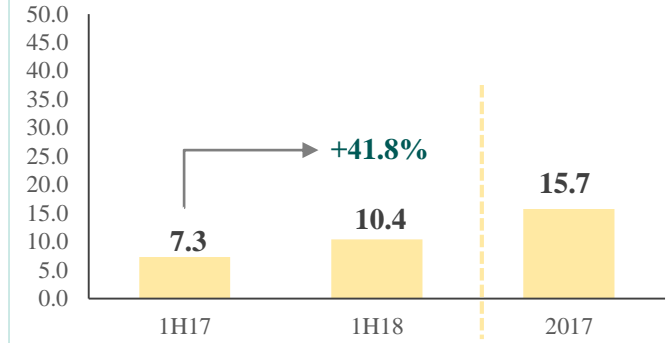
Community clinics revenue

(GEL, millions)



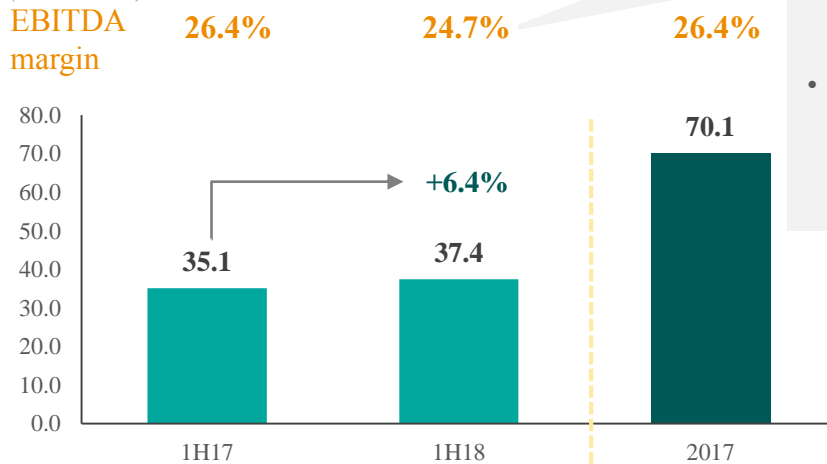
Polyclinics revenue

(GEL, millions)



EBITDA

(GEL, millions)



EBITDA margin

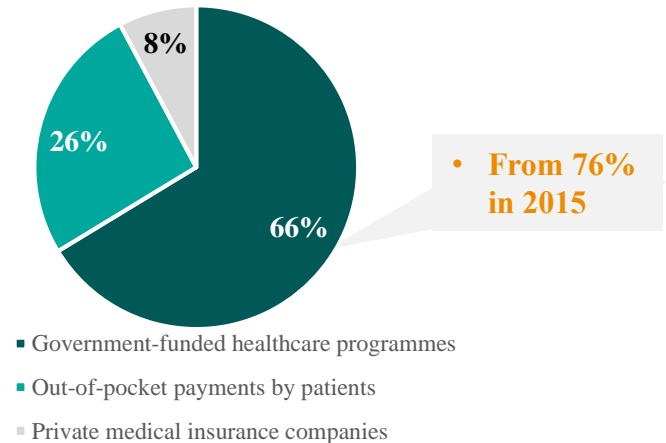
26.4%

24.7%

26.4%

- Excluding the dilutive effect of roll-outs, referral hospitals and community clinics EBITDA margin stood at **28.4%**
- Polyclinics EBITDA margin stood at **14.8%** (**16.1%** in 2Q18)

Revenue breakdown by payment sources





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❁ Medical insurance

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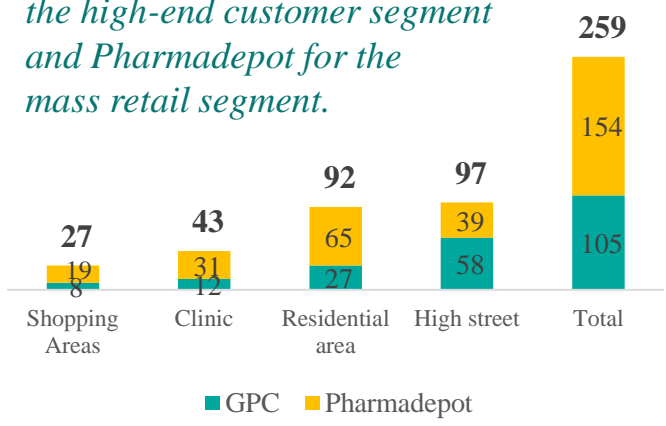
❁ Annexes



Heading to 300 pharmacies by 2020

259 pharmacies nationwide

In the pharma business, we operate under two pharmacy brands, each with a distinct positioning: GPC for the high-end customer segment and Pharmadepot for the mass retail segment.



Country's largest retailer and largest buyer of pharmaceuticals
↳ Significant cost advantage, shared with customers





Top priority in pharmacy and distribution business remains to increase profitability by exercising more supplier synergies and growth of private label products

- Currently 36 private label medicines are presented in our pharmacies
- GEL 2.3 million revenue in 1H18
- By the end of 2018 private label personal care products will be introduced in our pharmacies under the brand name “Attirance”

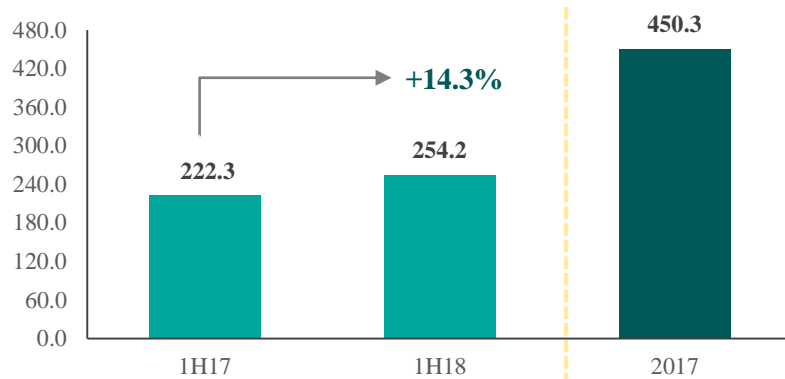




Pharmacy and distribution – financial performance overview

Revenue

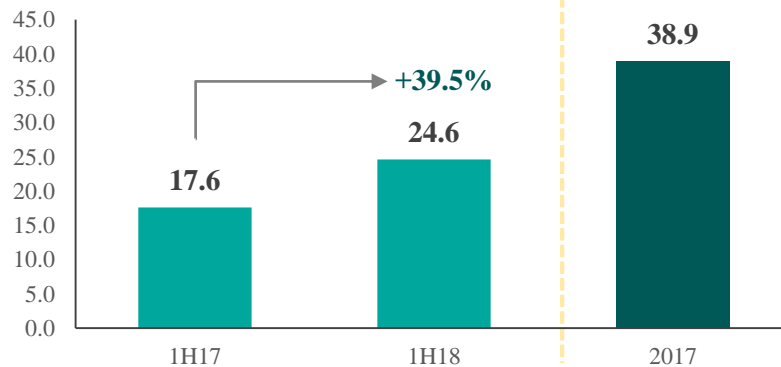
(GEL, millions)



EBITDA

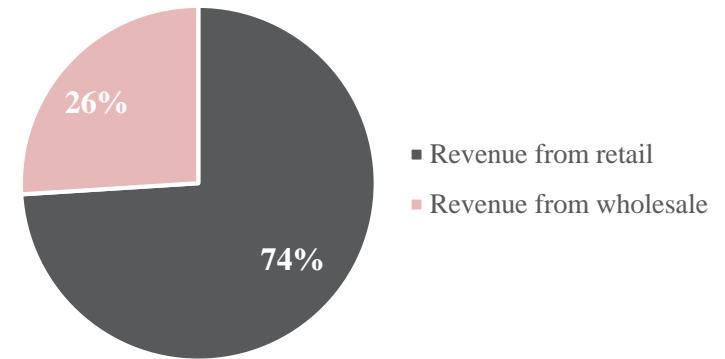
(GEL, millions)

EBITDA margin 7.9% 9.7% 8.6%

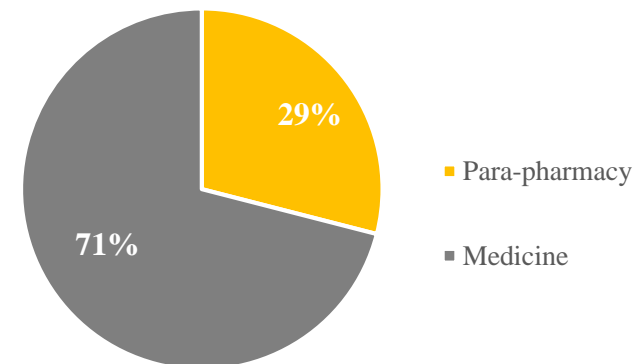


Revenue breakdown by retail and wholesale

Through acquiring new corporate accounts and actively engaging in state programmes the wholesale revenue was up 20% y-o-y in 1H18 .



The share of para-pharmacy sales in retail revenue accounts c.30%





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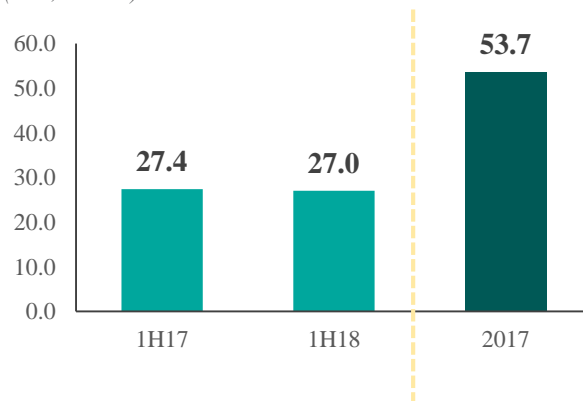
Initiatives implemented since 2017

- 1 **Revising portfolio** - *adjust prices or terminate loss making contracts*
- 2 **New revenue sources** - *Critical Illness, Compulsory Motor Third Party Liability Insurance Programme*
- 3 **Attracting new clients** - *acquired country's largest insurance client by number of insured, Ministry of Internal Affairs*

Business started to contribute positively in Group's EBITDA and earnings

Revenue

(GEL, millions)

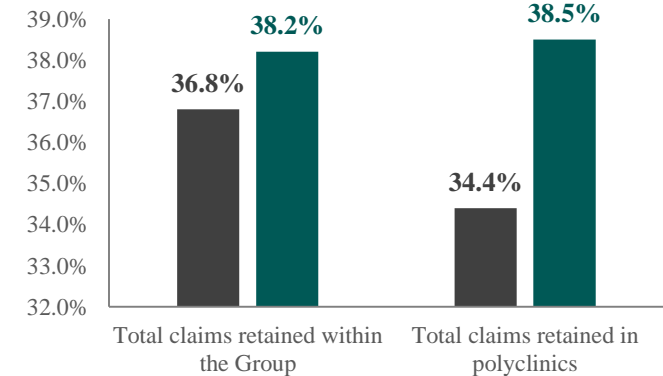


EBITDA

(GEL, millions)



Claims retention within the Group





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Mega Lab - estimated launch date November 2018

Limiting Lab and Diagnostic service import



GHG multi-profile laboratory will be equipped with the most up-to-date infrastructure and high-capacity automated systems, covering the major laboratory services. It will cover basic as well as sophisticated tests, including clinical microbiology, immunology, bacteriology, pathology and molecular genetics, further supporting our service export strategy.



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Progress towards long-term KPI's

(GEL'000)	1H18	1H17	Change, y-o-y
GHG			
Revenue	419,480	371,048	+13.1%
EBITDA	62,631	51,155	+22.4%
ROIC, adjusted*	13.7%	12.5%	+1.2 ppts
EPS	0.14	0.12	17.8%
Net profit	28,390	24,242	17.1%
Healthcare services			
Revenue	151,024	132,948	+13.6%
EBITDA margin	24.7%	26.4%	-1.7 ppts
Hospitals EBITDA margin without roll-outs	28.4%	29.4%	-1.0 ppts
Net profit	8,879	15,121	-41.3%
Pharmacy and distribution			
Revenue	254,191	222,341	+14.3%
Gross margin	24.7%	23.9%	+0.8 ppts
EBITDA margin	9.7%	7.9%	+1.8 ppts
Net profit	19,266	11,698	+64.7%
Medical insurance			
Retention claims within the Group	38.2%	36.8%	+1.4 ppts
Loss ratio	83.4%	86.8%	-3.4 ppts
Combined ratio	98.8%	106.2%	-7.4 ppts
Net profit	245	(2,577)	NMF

Healthcare services business profitability is affected by recent openings, as newly launched hospitals remain in their initial roll-out phase while associated costs, such as depreciation and interest expenses, to finance associated capex, reached their peak levels.

*Return on invested capital ("ROIC") adjusted to exclude newly launched Regional Hospital (previously called "Deka") and Tbilisi Referral Hospital
Source: GHG internal reporting



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❁ Clinical update

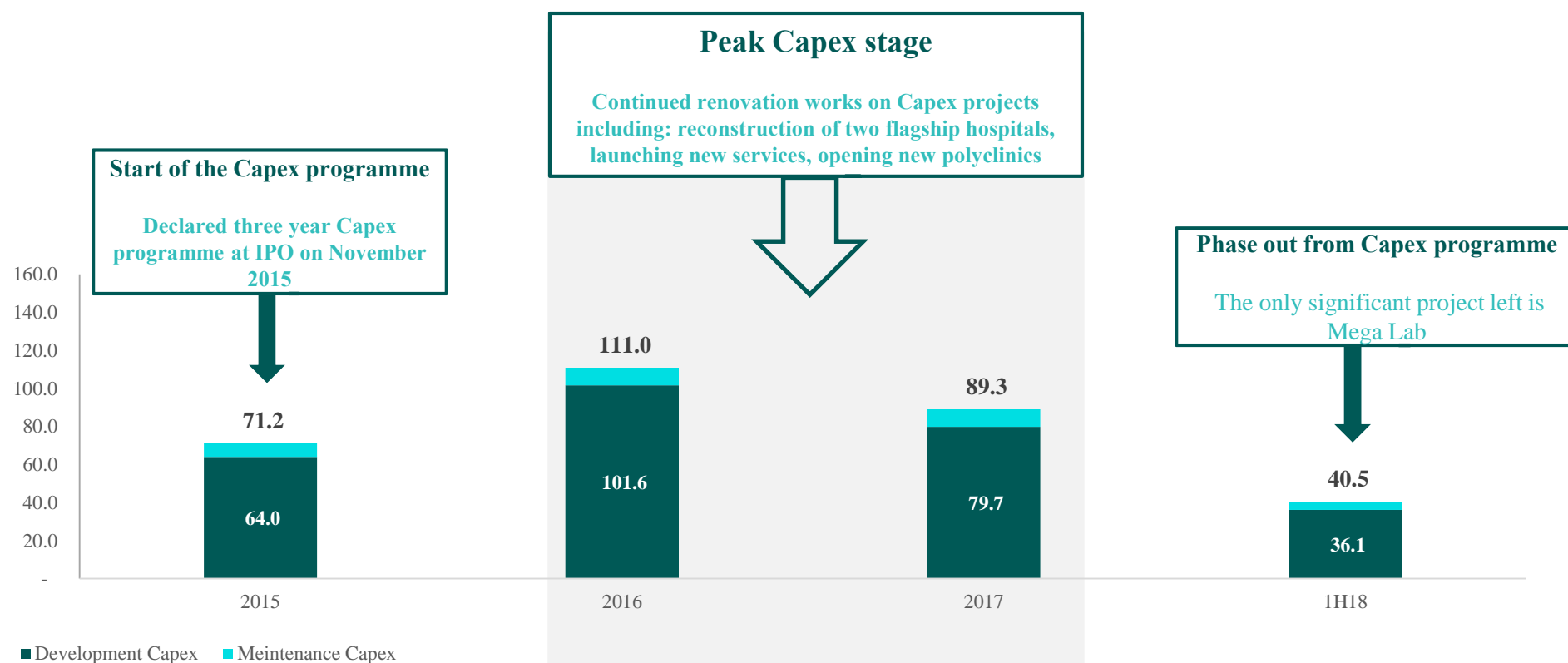
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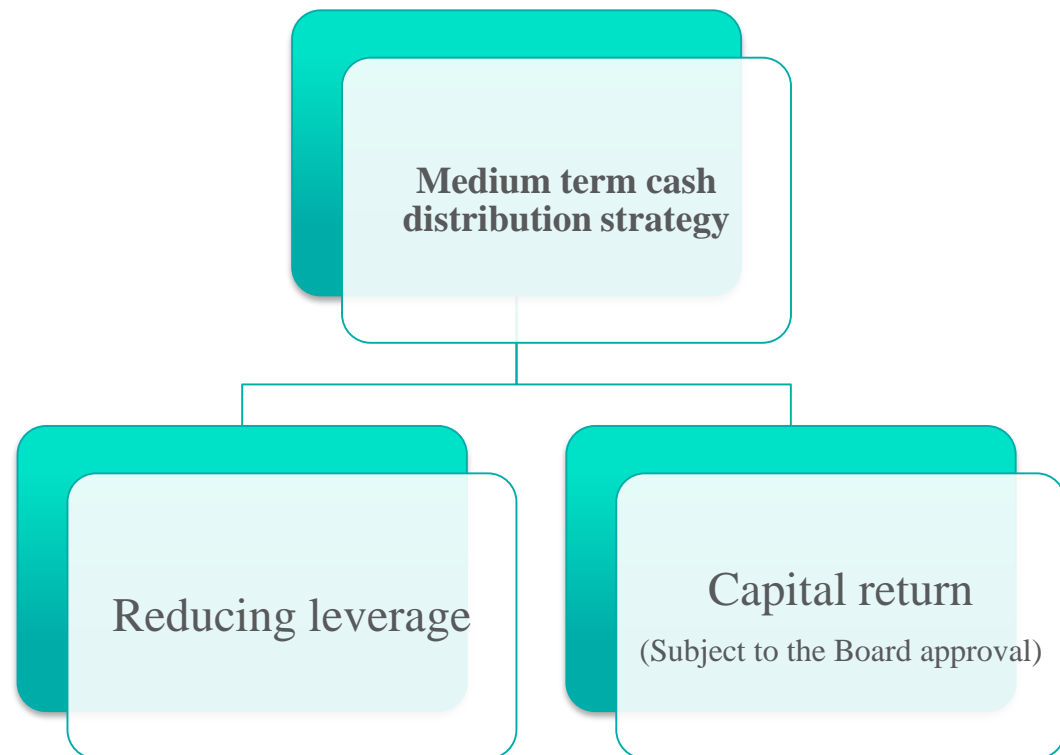
From a capital expenditure perspective, we have now completed the vast majority of our major development projects





Main focus in medium - term

- **Successful roll-out of newly launched hospitals and services**
- **Improving return on invested capital through improved utilisation and growing productivity**
- **Capturing more of the value of synergies across the Group**
- **Continuous improvement work on costs and quality**



Medical tourism – key rationales

- In 2017 the number of international travelers in Georgia reached 7.9 million, up 12.2% y-o-y in 8M'18 to 5.9 million travelers
- Cost arbitrage compared to medical tourism destination countries

Service price comparison (US\$)					
Type of Service	USA	Thailand	Turkey	India	Georgia
Cardio surgery	92,000	33,000	18,000	9,800	6,000
Hip replacement	31,000	16,500	8,500	9,400	2,500
Knee replacement	28,000	13,200	8,000	7,200	2,200
IVF (excluding medications)	12,500	4,000	4,000	3,300	2,900
Liver transplant	300,000	90,000	100,000	55,000	55,000

- Poor quality of healthcare from top visitor countries (Azerbaijan, Armenia, Russia, Iran, Ukraine, Central Asian Countries)
- No language barrier with neighbouring post-soviet countries





Medical tourism – 2018 update

What we have done

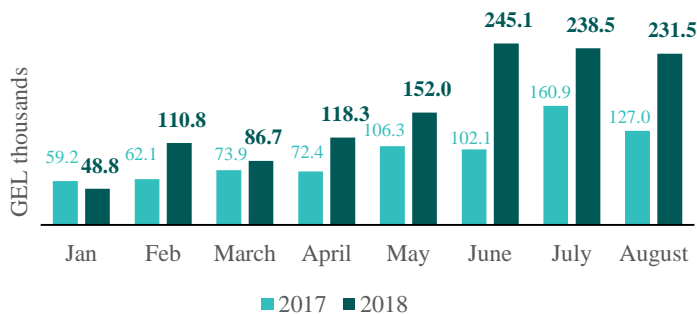
- Upgraded infrastructure
- Upgraded quality in healthcare facilities
- Adding new services to close existing service gaps in the country
- Retaining local patients from traveling abroad

What we do now

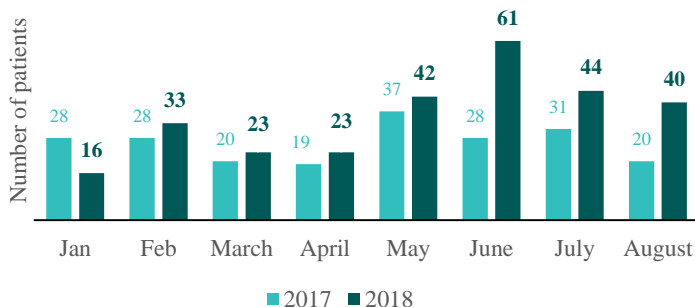
- Developed foreign patients service structure
- Increasing pool of assistances
- Increasing awareness within post soviet countries



Revenue from international patients in our hospitals increased by 46% y-o-y in 8'm 2018



Number of international patients in our hospitals increased by 34% y-o-y in 8'm 2018





GHG strategic targets remained largely unchanged

Segment	Hospitals	Polyclinic	Pharma	Insurance
Market share targets by addressable markets	BY REVENUE BEDs	BY REVENUE	BY REVENUE	BY REVENUE
Now	25% 25%	c.3%	30%	27%
Long-term	30%+	c.15%+	30%+	30%+
Key focus areas in medium-term and long term	<ol style="list-style-type: none">1 Footprint growth2 Adding new services3 Medical tourism4 Digital channels	<ol style="list-style-type: none">1 Footprint growth2 Increase the number of registered patients3 Adding new services (dental; aesthetic)4 Digital channels	<ol style="list-style-type: none">1 Retail footprint growth2 Margin enhancement3 Growing wholesale revenue4 Digital channels and customers loyalty	<ol style="list-style-type: none">1 Increasing market share2 Increasing profitability3 Patients redirection – increasing retention rates within the Group
P&L targets in medium to long-term	Gradually improving to c.30% EBITDA margin		8%+ EBITDA margin	Combined ratio <97%



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GHG – Income statement, 1H18

Income Statement, *half-year*

	<u>Healthcare services</u>			<u>Pharmacy chain and distribution</u>			<u>Medical insurance</u>			<u>Eliminations</u>		<u>GHG</u>		
	1H18	1H17	Change, Y-o-Y	1H18	1H17	Change, Y-o-Y	1H18	1H17	Change, Y-o-Y	1H18	1H18	1H18	1H17	Change, Y-o-Y
<i>GEL thousands; unless otherwise noted</i>														
Revenue, gross	151,024	132,948	13.6%	254,191	222,341	14.3%	27,005	27,375	-1.4%	(12,740)	(11,616)	419,480	371,048	13.1%
Corrections & rebates	(1,780)	(1,283)	38.7%	-	-	-	-	-	-	-	-	(1,780)	(1,283)	38.7%
Revenue, net	149,244	131,665	13.4%	254,191	222,341	14.3%	27,005	27,375	-1.4%	(12,740)	(11,616)	417,700	369,765	13.0%
Costs of services	(85,549)	(75,429)	13.4%	(191,412)	(169,230)	13.1%	(23,792)	(25,452)	-6.5%	11,906	10,118	(288,847)	(259,993)	11.1%
Cost of salaries and other employee benefits	(53,559)	(47,438)	12.9%	-	-	-	-	-	-	2,015	1,784	(51,544)	(45,654)	12.9%
Cost of materials and supplies	(23,549)	(20,707)	13.7%	-	-	-	-	-	-	4,726	2,945	(18,823)	(17,762)	6.0%
Cost of medical service providers	(1,541)	(806)	91.2%	-	-	-	-	-	-	58	31	(1,483)	(775)	91.4%
Cost of utilities and other	(6,900)	(6,478)	6.5%	-	-	-	-	-	-	260	244	(6,640)	(6,234)	6.5%
Net insurance claims incurred	-	-	-	-	-	-	(22,512)	(23,748)	-5.2%	4,847	5,114	(17,665)	(18,634)	-5.2%
Agents, brokers and employee commissions	-	-	-	-	-	-	(1,280)	(1,704)	-24.9%	-	-	(1,280)	(1,704)	-24.9%
Cost of pharma - wholesale	-	-	-	(53,303)	(45,485)	17.2%	-	-	-	-	-	(53,303)	(45,485)	17.2%
Cost of pharma - retail	-	-	-	(138,109)	(123,745)	11.6%	-	-	-	-	-	(138,109)	(123,745)	11.6%
Gross profit	63,695	56,236	13.3%	62,779	53,111	18.2%	3,213	1,923	67.1%	(834)	(1,498)	128,853	109,772	17.4%
Salaries and other employee benefits	(17,446)	(15,175)	15.0%	(22,493)	(19,300)	16.5%	(1,846)	(2,020)	-8.6%	553	343	(41,232)	(36,152)	14.1%
General and administrative expenses	(9,175)	(8,236)	11.4%	(16,723)	(15,991)	4.6%	(682)	(873)	-21.9%	378	348	(26,202)	(24,752)	5.9%
Impairment of receivables	(2,501)	(2,013)	24.2%	(25)	(131)	-80.9%	(159)	(230)	-30.9%	284	250	(2,401)	(2,124)	13.0%
Other operating income	2,781	4,302	-35.4%	1,023	(82)	NMF	190	(25)	NMF	(381)	216	3,613	4,411	-18.1%
EBITDA	37,354	35,114	6.4%	24,561	17,607	39.5%	716	(1,225)	NMF	-	(341)	62,631	51,155	22.4%
EBITDA margin	24.7%	26.4%		9.7%	7.9%		2.7%	-4.5%				14.9%	13.8%	
Depreciation and amortisation	(15,047)	(10,713)	40.5%	(1,124)	(1,176)	-4.4%	(391)	(464)	-15.7%	-	-	(16,562)	(12,353)	34.1%
Net interest income (expense)	(12,510)	(8,551)	46.3%	(5,515)	(5,980)	-7.8%	(125)	(416)	-70.0%	-	-	(18,150)	(14,947)	21.4%
Net gains/(losses) from foreign currencies	33	1,813	-98.2%	2,129	1,915	11.2%	88	36	144.4%	-	-	2,250	3,764	-40.2%
Net non-recurring income/(expense)	(877)	(2,531)	-65.3%	(785)	(882)	-11.0%	-	(198)	NMF	-	341	(1,662)	(3,270)	-49.2%
Profit before income tax expense	8,953	15,132	-40.8%	19,266	11,484	67.8%	288	(2,267)	NMF	-	-	28,507	24,349	17.1%
Income tax benefit/(expense)	(74)	(11)	NMF	-	214	NMF	(43)	(310)	-86.1%	-	-	(117)	(107)	9.3%
Profit for the period	8,879	15,121	-41.3%	19,266	11,698	64.7%	245	(2,577)	NMF	-	-	28,390	24,242	17.1%
Attributable to:														
- shareholders of the Company	6,710	11,400	-41.1%	11,234	6,181	81.8%	245	(2,577)	NMF	-	-	18,189	15,004	21.2%
- non-controlling interests	2,169	3,721	-41.7%	8,032	5,517	45.6%	-	-	-	-	-	10,201	9,238	10.4%



GHG – Income statement, 2Q18

Income Statement, <i>Quarterly</i>	Healthcare services					Pharmacy chain and distribution					Medical insurance					Eliminations			GHG				
	2Q18	2Q17	Change, Y-o-Y	1Q18	Change, Q-o-Q	2Q18	2Q17	Change, Y-o-Y	1Q18	Change, Q-o-Q	2Q18	2Q17	Change, Y-o-Y	1Q18	Change, Q-o-Q	2Q18	2Q17	1Q18	2Q18	2Q17	Change, Y-o-Y	1Q18	Change, Q-o-Q
<i>GEL thousands; unless otherwise noted</i>																							
Revenue, gross	77,476	66,600	16.3%	73,548	5.3%	127,323	110,942	14.8%	126,868	0.4%	13,703	13,410	2.2%	13,302	3.0%	(6,711)	(6,351)	(6,029)	211,791	184,601	14.7%	207,689	2.0%
Corrections & rebates	(1,087)	(660)	64.7%	(693)	56.9%	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,087)	(660)	64.7%	(693)	56.9%
Revenue, net	76,389	65,940	15.8%	72,855	4.9%	127,323	110,942	14.8%	126,868	0.4%	13,703	13,410	2.2%	13,302	3.0%	(6,711)	(6,351)	(6,029)	210,704	183,941	14.5%	206,996	1.8%
Costs of services	(44,002)	(37,652)	16.9%	(41,547)	5.9%	(95,862)	(84,822)	13.0%	(95,550)	0.3%	(11,898)	(12,718)	-6.4%	(11,894)	0.0%	6,068	4,945	5,840	(145,694)	(130,247)	11.9%	(143,153)	1.8%
Cost of salaries and other employee benefits	(27,920)	(24,343)	14.7%	(25,639)	8.9%	-	-	-	-	-	-	-	-	-	1,078	929	938	(26,842)	(23,414)	14.6%	(24,702)	8.7%	
Cost of materials and supplies	(12,108)	(10,240)	18.2%	(11,441)	5.8%	-	-	-	-	-	-	-	-	-	2,622	1,582	2,104	(9,486)	(8,658)	9.6%	(9,337)	1.6%	
Cost of medical service providers	(780)	(434)	79.7%	(761)	2.5%	-	-	-	-	-	-	-	-	-	30	17	28	(750)	(417)	79.9%	(733)	2.3%	
Cost of utilities and other	(3,194)	(2,635)	21.2%	(3,706)	-13.8%	-	-	-	-	-	-	-	-	-	124	102	137	(3,070)	(2,533)	21.2%	(3,570)	-14.0%	
Net insurance claims incurred	-	-	-	-	-	-	-	-	-	-	(11,294)	(11,936)	-5.4%	(11,218)	0.7%	2,214	2,315	2,633	(9,080)	(9,621)	-5.6%	(8,585)	5.8%
Agents, brokers and employee commissions	-	-	-	-	-	-	-	-	-	-	(604)	(782)	-22.8%	(676)	-10.7%	-	-	-	(604)	(782)	-22.8%	(676)	-10.7%
Cost of pharma - wholesale	-	-	-	-	-	(27,206)	(22,989)	18.3%	(26,097)	4.2%	-	-	-	-	-	-	-	-	(27,206)	(22,989)	18.3%	(26,097)	4.2%
Cost of pharma - retail	-	-	-	-	-	(68,656)	(61,833)	11.0%	(69,453)	-1.1%	-	-	-	-	-	-	-	-	(68,656)	(61,833)	11.0%	(69,453)	-1.1%
Gross profit	32,387	28,288	14.5%	31,308	3.4%	31,461	26,120	20.4%	31,318	0.5%	1,805	692	160.8%	1,408	28.2%	(643)	(1,406)	(189)	65,010	53,694	21.1%	63,843	1.8%
Salaries and other employee benefits	(8,927)	(7,996)	11.6%	(8,519)	4.8%	(11,299)	(9,684)	16.7%	(11,194)	0.9%	(1,063)	(972)	9.4%	(783)	35.8%	496	227	57	(20,793)	(18,424)	12.9%	(20,439)	1.7%
General and administrative expenses	(4,890)	(4,154)	17.7%	(4,285)	14.1%	(8,473)	(7,229)	17.2%	(8,250)	2.7%	(332)	(366)	-9.3%	(350)	-5.1%	130	348	248	(13,565)	(11,400)	19.0%	(12,637)	7.3%
Impairment of other receivables	(1,299)	(1,033)	25.8%	(1,202)	8.1%	(5)	(103)	-95.1%	(20)	-75.0%	(61)	(117)	-47.9%	(98)	-37.8%	152	250	132	(1,213)	(1,003)	20.9%	(1,188)	2.1%
Other operating income	1,532	3,190	-52.0%	1,250	22.6%	233	(183)	NMF	790	-70.5%	163	(18)	NMF	27	NMF	(135)	240	(247)	1,793	3,229	-44.5%	1,820	-1.5%
EBITDA	18,803	18,295	2.8%	18,552	1.4%	11,917	8,921	33.6%	12,644	-5.7%	512	(781)	NMF	204	151.0%	-	(341)	-	31,232	26,096	19.7%	31,399	-0.5%
EBITDA margin	24.3%	27.5%	25.2%	25.2%	9.4%	8.0%	10.0%	3.7%	-5.8%	1.5%	3.7%	-5.8%	1.5%	10.0%	14.7%	14.1%	15.1%	14.7%	14.1%	15.1%	15.1%	15.1%	
Depreciation and amortisation	(8,084)	(5,774)	40.0%	(6,963)	16.1%	(576)	(465)	23.9%	(548)	5.1%	(187)	(242)	-22.7%	(204)	-8.3%	-	-	-	(8,847)	(6,481)	36.5%	(7,715)	14.7%
Net interest income (expense)	(6,818)	(4,435)	53.7%	(5,692)	19.8%	(2,758)	(3,187)	-13.5%	(2,757)	0.0%	(11)	(206)	-94.7%	(114)	-90.4%	-	-	-	(9,587)	(7,828)	22.5%	(8,563)	12.0%
Net gains/(losses) from foreign currencies	58	1,118	-94.8%	(25)	NMF	243	(180)	NMF	1,886	-87.1%	50	48	4.2%	38	31.6%	-	-	-	351	986	-64.4%	1,899	-81.5%
Net non-recurring income/(expense)	(282)	(1,255)	-77.5%	(595)	-52.6%	(374)	(566)	-33.9%	(411)	-9.0%	-	2	NMF	-	-	-	341	-	(656)	(1,478)	-55.6%	(1,006)	-34.8%
Profit before income tax expense	3,677	7,949	-53.7%	5,277	-30.3%	8,452	4,523	86.9%	10,814	-21.8%	364	(1,179)	NMF	(76)	NMF	-	-	-	12,493	11,295	10.6%	16,014	-22.0%
Income tax benefit/(expense)	(72)	-	NMF	(2)	NMF	-	222	NMF	-	-	(43)	(310)	-86.1%	-	NMF	-	-	-	(115)	(88)	30.7%	(2)	NMF
Profit for the period	3,605	7,949	-54.6%	5,275	-31.7%	8,452	4,745	78.1%	10,814	-21.8%	321	(1,489)	NMF	(76)	NMF	-	-	-	12,378	11,207	10.4%	16,012	-22.7%
Attributable to:																							
- shareholders of the Company	2,826	5,636	-49.9%	3,885	-27.3%	4,500	2,024	122.3%	6,734	-33.2%	321	(1,489)	NMF	(76)	NMF	-	-	-	7,647	6,172	23.9%	10,542	-27.5%
- non-controlling interests	779	2,313	-66.3%	1,390	-44.0%	3,952	2,721	45.2%	4,080	-3.1%	-	-	-	-	-	-	-	-	4,731	5,035	-6.0%	5,470	-13.5%

Selected Balance Sheet items

GEL thousands; unless otherwise noted	30-Jun-18	<u>Healthcare services</u>				<u>Pharmacy chain and distribution</u>					<u>Medical insurance</u>				
		30-Jun -17	Change, Y-o-Y	31-Mar-18	Change, Q-o-Q	30-Jun-18	30-Jun -17	Change, Y-o-Y	31-Mar-18	Change, Q-o-Q	30-Jun-18	30-Jun -17	Change, Y-o-Y	31-Mar-18	Change, Q-o-Q
Assets:															
Cash and bank deposits	11,142	21,741	-48.8%	32,157	-65.4%	5,210	5,548	-6.1%	4,423	17.8%	10,343	9,763	5.9%	9,087	13.8%
Property and equipment	641,574	582,437	10.2%	622,284	3.1%	27,800	23,746	17.1%	27,389	1.5%	15,021	5,976	151.4%	15,081	-0.4%
Inventories	15,974	14,787	8.0%	19,373	-17.5%	98,208	92,167	6.6%	90,463	8.6%	-	215	NMF	-	-
Liabilities:															
Borrowed Funds	273,604	189,600	44.3%	276,848	-1.2%	81,476	81,764	-0.4%	82,475	-1.2%	8,281	9,120	-9.2%	8,598	-3.7%
Accounts payable	31,176	34,616	-9.9%	34,727	-10.2%	60,042	58,015	3.5%	55,956	7.3%	-	-	-	-	-

Selected Balance Sheet items

GEL thousands; unless otherwise noted	<u>Consolidation and eliminations</u>			<u>GHG</u>				
	30-Jun-18	30-Jun -17	31-Mar-18	30-Jun-18	30-Jun -17	Change, Y-o-Y	31-Mar-18	Change, Q-o-Q
Assets								
Cash and bank deposits	-	-	-	26,695	37,052	-28.0%	45,667	-41.5%
Property and equipment	(2,728)	-	(2,728)	681,667	612,159	11.4%	662,026	3.0%
Inventories	-	-	-	114,182	107,169	6.5%	109,836	4.0%
Liabilities:								
Borrowed Funds	-	-	-	363,361	280,483	29.5%	367,921	-1.2%
Accounts payable	(7,911)	(4,939)	(4,191)	83,307	87,691	-5.0%	86,492	-3.7%

QUESTIONS?

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