

Georgia Healthcare Group announces the acquisition of a significant new medical insurance client

Georgia Healthcare Group (the “**Group**” or “**GHG**”) announces that its medical insurance business has acquired a significant new client, the Georgian Ministry of Internal Affairs, by winning a recent tender process. The Ministry of Internal Affairs is the country’s largest insurance client by number of insured, c.65,000. As a result, the number of GHG’s insured individuals now totals approximately 155,000. With the plan to incentivise the use of GHG healthcare facilities and pharma business products, we expect significant synergies to come from this contract in 2018, further improving retention rates within GHG.

“Our medical insurance business has implemented significant initiatives since June 2017, to adapt to changes in the Government’s Universal Healthcare Programme by improving contract pricing with existing clients and terminating certain loss-making contracts. I am therefore very pleased to see the successful acquisition of a new large client. We expect that the resultant increased client base, with adjusted pricing, will drive further improvements in the business’ profitability and, equally importantly, will further increase retention rates within the Group. Our medical insurance business plays an important role in our business model, as it is a significant feeder for both our pharma and healthcare services businesses, particularly for our polyclinics (outpatient clinics).” commented **Nikoloz Gamkrelidze**, CEO of Georgia Healthcare Group.

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

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 11 Polyclinic clusters (consisting of 14 Polyclinics and 24 express outpatient clinics), as at 30 September 2017. GHG is the single largest market participant, accounting for 23.8% of total hospital bed capacity in the country, as of 30 September 2017. From January 2017, GHG became the largest pharmaceuticals retailer and wholesaler in Georgia, with approximately 29% market share by revenue. GHG is the second largest provider of medical insurance in Georgia with a 29.6% market share based on net insurance premiums earned and approximately 110,000 insurance customers as of October 2017. GHG employed a total of c.15,151 people as at 30 September 2017, including c.3,505 physicians.

For further information, please visit ghg.com.ge or contact:

Nikoloz Gamkrelidze
CEO
+995 322 550505 (5077)
ngamkrelidze@ghg.com.ge

Irakli Gogia
CFO
+995 322 550505 (5088)
irakligogia@ghg.com.ge

Ketevan Kalandarishvili
Head of Investor Relations
+995 322 550505 (5079)
ir@ghg.com.ge