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.

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