

## GHG announces the acquisition of two strategically located community hospitals

Georgia Healthcare Group PLC (“GHG” or the “Group”), announces that its healthcare service business has signed a Sale and Purchase Agreement to acquire 100% share capital (the “Transaction”) of Khashuri and Qareli community hospitals (together the “Hospitals”) from IC Group member companies (the “Seller”). IC Group is an insurance company operating in Georgia and owns several small-to-medium sized hospitals. The transaction is in line with the healthcare services business strategy to expand its presence across the country, especially in underrepresented regions of Georgia. Following the acquisition of these Hospitals, the number of community hospitals in the Group has increased to 22, with 555 beds in total.

The Hospitals are located in the Khashuri and Qareli regions, which have a combined population of c.100,000 people, and they operate with 65 and 25 beds respectively. Both hospitals are the sole healthcare services providers in their respective regions and are next to the new central highway connecting East and West Georgia. Khashuri hospital is also the referral centre for three other nearby towns.

The healthcare services business will pay GEL 10.0 million cash consideration to the Seller. The Hospitals are valued at GEL 13.7 million, including investment needs of GEL 3.7 million, implying a 5.5x EV/EBITDA multiple.

“I am very pleased to announce the acquisition of these two community hospitals, which expands our healthcare services business coverage in these strategically important locations, where we previously had no presence. The Hospitals have favourable locations to capture the major traffic from the new central highway at the same time as being the sole healthcare service providers in these regions. The Transaction further enables us to refer patients to our referral hospitals, primarily in Kutaisi and Tbilisi, thus providing potential revenue synergies. Finally, the Transaction will also strengthen our outpatient capacity in these two regions, since our community hospitals are well suited for providing full scale ambulatory services,” commented **Nikoloz Gamkrelidze**, CEO of Georgia Healthcare Group.

Name of authorised official of issuer responsible for making notification: Ekaterina Shavgulidze, 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 35 hospitals and ten ambulatory clusters (consisting of 13 district ambulatory clinics and 28 express ambulatory clinics), as at 31 March 2017. GHG is the single largest market participant, accounting for 23.4% of total hospital bed capacity in the country, as of 31 March 2017. From January 2017, GHG became the largest pharmaceuticals retailer and wholesaler in Georgia, with approximately 29% market share based on 31 December 2015 revenue figures. GHG is also the largest provider of medical insurance in Georgia with a 35.3% market share based on net insurance premiums earned and approximately 135,000 insurance customers as at 31 March 2017. GHG employed a total of c.14,600 people as at 31 March 2017, including c.3,300 physicians.

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

**Nikoloz Gamkrelidze**  
CEO  
+995 322 550505 (5077)  
[ngamkrelidze@ghg.com.ge](mailto:ngamkrelidze@ghg.com.ge)

**Irakli Gogia**  
CFO  
+995 322 550505 (5088)  
[irakligogia@ghg.com.ge](mailto:irakligogia@ghg.com.ge)

**Ekaterina (Eka) Shavgulidze**  
Head of Investor Relations  
+995 322 444 205  
[ir@ghg.com.ge](mailto:ir@ghg.com.ge)

---

*This news report is presented for general informational purposes only and should not be construed as an offer to sell or the solicitation of an offer to buy any securities*