

A teal-tinted background image of a microscope. The microscope is positioned on the right side of the frame, with its objective lenses and eyepiece visible. The background is slightly blurred, focusing attention on the text.

GEORGIA HEALTHCARE GROUP

**SOCIAL
BOND
FRAMEWORK
2025**

GHG AT A GLANCE

Our business, founded in 1990, has experienced rapid growth over the last decade, driven by a centralized approach to healthcare management. We were the first in Georgia to implement a regional cluster model and referral hierarchy, allowing us to manage multiple hospitals as a single business while integrating healthcare and insurance services. As the largest healthcare provider in Georgia's fast-growing, predominantly private market, we offer the most comprehensive range of inpatient and outpatient services through a vertically integrated network.

Our commitment to quality healthcare is delivered through four key business lines: **Large and Specialty Hospitals, Regional Hospitals and Community Clinics, Evex Polyclinics, and Diagnostics.** Each geographic cluster follows a structured referral hierarchy, guiding patients from local physicians and community hospitals to larger general referral hospitals for specialized treatments. Our dedicated ambulance services facilitate patient transfers within this system.

Our Core Services

- **Large and Specialty Hospitals** – We provide multidisciplinary inpatient and outpatient care, including oncology, children's oncology, bone marrow transplantation, gender reassignment surgery, and extracorporeal fertilization (surrogacy).
- **Regional Hospitals and Community Clinics** – Our facilities offer advanced surgical treatments for spinal and brain conditions, alongside high-quality diagnostic services, including gastro and colonoscopy procedures, state-of-the-art CT imaging, and intensive care.
- **Evex Polyclinics** – As Georgia's largest polyclinic network, Evex operates 16 facilities offering outpatient diagnostic and treatment services, including Transplantology, Hematology, Radiology, Ophthalmology, and 38 other specialized medical services.
- **Diagnostic Centre** – Megalab, the Caucasus region's largest diagnostic and scientific innovation center, leads in advanced testing and research. Serving over 5,000 patients daily and conducting more than 6 million tests annually, we utilize 150 high-tech devices and offer 800+ test types while investing in professional development and partnerships with 200+ institutions.



Large and Specialty
Hospitals



Regional Hospitals
and Community
Clinics



Evex Polyclinics



Diagnostic Centre



SUSTAINABILITY AT GHG

GHG integrates sustainability into its core business operations, recognizing its responsibility to shareholders, society, and the environment. The company continuously enhances its corporate social responsibility (CSR) practices by addressing environmental concerns, employee well-being, and broader social issues. These efforts reflect its commitment to **sustainable healthcare delivery, ethical business practices, and corporate accountability**. By ensuring healthcare access and affordability while minimizing environmental impact, GHG actively contributes to global sustainability efforts and the well-being of Georgian society.

Healthcare Access and Social Impact Initiatives

One of GHG's primary objectives is expanding access to healthcare across Georgia, particularly in underserved areas. Its extensive healthcare network reaches over 75% of the Georgian population, including those in remote mountainous regions where medical facilities are scarce. To bridge this gap, the company facilitates free medical check-ups and screenings for various health conditions, including tuberculosis, breast cancer, prostate cancer, diabetes, and hepatitis C. Patients in rural areas benefit from regular specialist visits and, when necessary, are transported to larger medical centers for advanced care. GHG also plays a crucial role in Georgia's Children's Oncology Programme, with Iashvili Paediatric Tertiary Referral Hospital serving as the country's only specialized pediatric oncology center.

GHG actively promoted preventive healthcare and lifestyle improvements through nationwide educational initiatives. It sponsored medical television programs such as The Doctors, Day Show, and Impulse, raising awareness of cardiovascular diseases, allergies, oncology, and arthritis. The company also took a proactive stance against smoking by launching public awareness campaigns and corporate wellness initiatives. The "Office Without Tobacco" program encouraged employees to quit smoking by providing free consultations and medical support, while the "Don't Quit on Quitting" campaign engaged the broader population through educational materials, CO meter screenings.

COVID-19 Response and Digital Transformation

GHG played a vital role in Georgia's response to the COVID-19 pandemic, rapidly mobilizing resources to support the country's healthcare infrastructure. It designated over 19 specialized COVID-19 facilities and hybrid centers, adding more than 1,100 beds to the national healthcare system. The company also ensured healthcare workers were well-equipped and trained to handle the pandemic, providing protective equipment and specialized COVID-19 protocols.

The company's diagnostic capabilities were instrumental in controlling the virus, with GHG conducting over 103,000 COVID-19 tests, covering approximately 2.8% of Georgia's population. To mitigate risks and support early detection, GHG established 24-hour medical hotlines and virtual healthcare services, providing free consultations through Viber groups and social media platforms. The organization also prioritized the well-being of frontline workers by offering respite stays in hotels and launching a GEL 2 million fund to support their physical and emotional well-being. Pharmacy vouchers were issued to 20,000 medical personnel, further assisting healthcare workers in managing their personal health.

The pandemic accelerated GHG's digital transformation, with EKIMO, its integrated digital healthcare platform, playing a central role. This platform connects hospitals and clinics, enabling seamless access to healthcare services. Additionally, the company leveraged AI-driven triage systems and blockchain-based insurance platforms, revolutionizing patient care and financial transparency.

scholarships, masterclasses, and training programs to support young professionals. It also sponsors international and local medical conferences.

Education and Workforce Development

GHG invests in medical education and workforce development to enhance the overall quality of healthcare in Georgia. Through collaborations with universities and medical institutions, the company provides Beyond professional education, GHG has also taken significant steps to improve STEM education in Georgia. One of its most notable contributions is the translation of Khan Academy's entire biology course into Georgian, expanding access to high-quality educational resources for students.

Employee training is another key priority for GHG. The company organizes regular training sessions covering a range of health topics, from promoting a healthy lifestyle to COVID-19 management protocols. Workplace wellness initiatives, such as the corporate anti-smoking program, help employees adopt healthier behaviors while reducing healthcare costs in the long term.

Sponsorship, Charity, and Community Engagement

GHG actively engages in charitable healthcare initiatives, particularly for disadvantaged groups. It collaborates with the Georgian Solidarity Fund, providing free radiological check-ups for cancer patients, and supports various charitable foundations, including the Dimitri Tsintsadze Foundation and Monk Andrew's Foundation. Through these partnerships, the company ensures that patients from low-income backgrounds receive high-quality medical care at reduced or no cost.

Since January 2020, in collaboration with Liberty Bank, GHG continued to offer discounted services to pensioners and socially vulnerable individuals.

This initiative has benefited over 69,000 patients, providing around 443,000 discounted services.

GHG's commitment to environmental sustainability is reflected in its donations to the Caucasus Nature Fund (CNF), which supports the long-term conservation of protected areas across Georgia, Armenia, and Azerbaijan. The company actively participates in sustainable natural resource management initiatives, reinforcing its commitment to responsible corporate practices.

Alignment with the UN Sustainable Development Goals (SDGs)

GHG's initiatives align with several key UN Sustainable Development Goals (SDGs):



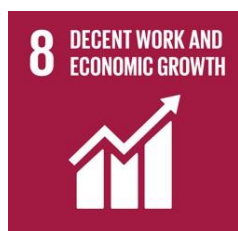
SDG 3 (Good Health and Well-being)

Through accessible healthcare programs, disease prevention initiatives, and pandemic response efforts, GHG actively improves public health outcomes.



SDG 4 (Quality Education)

The company's investment in medical education, workforce training, and STEM learning resources enhances educational opportunities for professionals and students alike.



SDG 8 (Decent work and economic growth)

Through continuous investment in workforce development and improved working conditions, GHG supports sustainable economic growth and enhances employment opportunities in the healthcare sector.



SDG 9 (Industry, Innovation, and Infrastructure)

By integrating digital healthcare solutions, such as EKIMO and AI-powered diagnostics, GHG is modernizing healthcare infrastructure.



SDG 12 (Responsible Consumption and Production)

GHG's commitment to sustainable operations and responsible resource use aligns with global efforts to promote environmental sustainability.



Healthcare Accessibility in Georgia

Healthcare infrastructure and medical personnel are heavily concentrated in Tbilisi, which creates geographic and logistical barriers for patients living in rural and remote regions. For instance, as of 2023, Tbilisi alone accounted for approximately one-third of all hospital beds and more than one-quarter of the country's outpatient facilities. In contrast, regions are underserved, with only several hospitals and significantly fewer nurses and beds available to residents. This imbalance leads to limited local access to specialized care, diagnostic services and essential treatments. Residents in these areas often face long travel times to urban centers to receive even basic or emergency medical care, resulting in delays that can compromise treatment outcomes. The burden is particularly heavy on vulnerable populations, such as the elderly, those with chronic illnesses and low-income households, who may struggle with the costs of transportation and accommodation.

This regional disparity is compounded by the fact that most healthcare professionals, including specialists, are concentrated in Tbilisi and a few other large cities. Many rural facilities operate with severe staff shortages, especially in nursing personnel and specialists such as cardiologists, neurologists, pediatricians and surgeons. The geographic and professional imbalance is not only a matter of numbers, it also reflects systemic weaknesses in retaining qualified staff in underserved areas. Physicians are often reluctant to relocate to rural regions due to lack of career development opportunities, outdated infrastructure, poor living conditions and isolation from academic or professional networks.

In many rural and mountainous municipalities, the primary form of care is provided by solo practitioners working in state-funded ambulatories. These ambulatories often lack essential equipment, diagnostic tools and basic medications. In such settings, even routine procedures or early diagnostics become a challenge. This leads to a systemic underutilization of preventive services and a reactive model of care where patients only seek help in later stages of illness, increasing the risk of complications and the cost of treatment. Additionally, the limited operating hours and low capacity of these facilities mean that patients frequently bypass them entirely and travel directly to hospitals in bigger cities - if they are able to. More than 90% of heavy patients are referred to or transported to bigger cities and oftentimes such transportation increases risks for patients.

Access to healthcare is also obstructed by poor transport infrastructure. Some villages remain cut off during winter months and travel to the nearest functioning clinic or hospital may require hours on difficult terrain. Emergency response systems are particularly strained. Response times are slower and in some areas, the absence of nearby emergency departments or properly equipped ambulances means that urgent medical attention is delayed. This can have fatal consequences, especially for conditions like strokes, heart attacks, or trauma from accidents. The situation is further exacerbated by road conditions, fuel costs and a general lack of coordination in emergency health services at the regional level.

Another critical issue is the widespread reliance on outdated medical equipment and obsolete diagnostic technologies in regional facilities. Even in functioning hospitals, ultrasound machines, radiology devices, laboratory infrastructure and sterilization units are often decades old, poorly maintained, or non-functional. This limits the ability of physicians to perform timely and accurate diagnoses, especially in cases that require imaging, urgent blood tests, or post-operative monitoring. As a result, doctors working in the regions are often forced to rely on clinical judgment rather than evidence-based diagnostics, or to refer patients to urban centers, adding pressure on the already strained referral system and delaying critical care.

In most rural hospitals, complex procedures such as endoscopies, biopsies, surgical interventions and post-surgical rehabilitation are either unavailable or performed only on an intermittent basis, depending on visiting specialists. Many regional hospitals function more as referral hubs rather than standalone centers of care, meaning that their operational role is reduced to stabilization and transfer. This chronic dependence on referrals creates bottlenecks and increases patient movements. In some cases, patients may be referred from one regional hospital to another before eventually reaching a tertiary center in Tbilisi, losing precious time in the process.

The existing hospital infrastructure in many regional areas is also a concern. A significant portion of rural hospitals were constructed decades ago and technological capacity. Their deterioration undermines service quality, deters patients from using local care and discourages professionals from working there. In many cases, hospital buildings are technically operational but are barely functioning due to lack of technological resources and trained personnel. This includes ICU capacity, radiology services, laboratories and surgical departments, all of which are often unavailable in regional hospitals.

Lastly, health outcomes and public health indicators illustrate the consequences of these access gaps. Mortality from preventable causes is also higher in rural areas. The population in these areas is also aging, further increasing healthcare demands.

In sum, the healthcare landscape in Georgia outside of big cities is marked by systemic disparities in infrastructure, workforce, accessibility and service delivery. The regional population is receiving healthcare that is delayed, distant and often insufficient. This is not merely a logistical or infrastructural issue it is a fundamental question of equitable access and health security for the population of Georgia.



SOCIAL BOND FRAMEWORK

As part of GHG’s commitment to sustainability, this Social Bond Framework (the “Framework”) has been developed in alignment with the **ICMA Social Bond Principles (SBP) 2023** and the **Georgian Taxonomy on GSS Bonds**. The Framework incorporates the four core components of the Social Bond Principles, along with key recommendations to enhance transparency.

Core Components:

- Use of Proceeds
- Project Evaluation and Selection Process
- Management of Proceeds
- Reporting

Transparency Recommendations:

- Social Bond Framework
- External Review

GHG is committed to adhering to best practices in the evolving Social Bond market. As market standards develop, this Framework may be updated to ensure continued alignment with global and local practices.

a. Use of Proceeds

An amount equivalent to the net proceeds from the issuance of social instruments will be exclusively allocated to financing or refinancing (It is estimated that approximately 70% of the net proceeds will be used for refinancing) , in whole or in part, new or existing Eligible Projects, as outlined in the table on the following page. These projects will contribute to positive social outcomes, particularly for underserved populations, and align with GHG’s broader sustainability and impact strategy.

Use of Proceeds Criteria:

- Eligible Projects may include both capital (CapEx) and operational (OpEx) expenditures.
- CapEx will be eligible for refinancing with a maximum of seven-year look-back period, ensuring flexibility in long-term investments.
- OpEx will qualify with a maximum three-year look-back period, in line with market best practices, to ensure recent expenditures contribute to the intended social impact.

GHG is committed to aligning this Framework with global standards and may update it periodically to reflect evolving market best practices, regulatory developments, and stakeholder expectations.

Eligible Project Description**Development of Hospitals in Regions**

Financing the initial development and major renovations of hospitals in underserved regions to establish modern medical facilities, ensuring access to essential healthcare and additional services that were previously unavailable..

Development of Specialized Hospitals and/or Services

development, expansion, and enhancement of specialized hospitals and medical services, ensuring greater access to advanced and high-quality healthcare. This includes funding for the construction, renovation, and modernization of specialized medical centers, such as oncology facilities, which play a critical role in providing comprehensive cancer diagnosis, treatment, and long-term patient care.

Investment in Medical Equipment

Procurement of medical equipment, including MRI scanners, CT scanners, ultrasound machines, and other diagnostic tools, ensuring access to advanced medical technologies.

Enhancement of Healthcare Infrastructure

Investments in capital expenditures related to hospital buildings to comply with newly implemented regulatory and international standards, such as accreditations and quality improvements, ensuring enhanced patient safety and service delivery.

Expansion and Maintenance of Medical Facilities

Planned upgrades, maintenance, and expansion of existing hospitals and clinics within the Group to improve service accessibility, efficiency, and patient capacity.

Development of the Laboratory

Funding for the construction and development of the largest diagnostic laboratory in the Southern Caucasus region, ensuring state-of-the-art testing services and improved disease diagnostics.

Emergency Response and Mobility Infrastructure Acquisition and maintenance of vehicles primarily for emergency-related business operations, enhancing response times and medical accessibility in critical cases.

Healthcare Infrastructure Development and Digitalization

Investments in digital and infrastructural healthcare solutions to improve operational efficiency and patient experience. This includes projects like Vabaco (for managing inpatient/outpatient management and integration other necessary systems), EKIMO (external patient-facing healthcare services platform, which helps people who do not have access, get immediate help), expanding telemedicine capabilities and digital patient management and renovation of administrative facilities, ensuring efficient management and coordination.

UN SDGs



Target Population

- Low- and Middle-Income Populations
- Patients in Underserved and Remote Areas
- Vulnerable Groups with Chronic or Severe Conditions
- Elderly People and Vulnerable Youth
- Individuals with specific physical and/or mental conditions
- General Public and Healthcare Professionals

Social Benefit

- **Improving Healthcare accessibility**, including in urban areas as well as in underserved regions where populations either lack access to necessary medical services or must travel elsewhere—often facing financial barriers—by developing and renovating hospitals.
- **Improved disease detection and control**, improved treatment and advanced **diagnostic capabilities** and/or vaccination.
- Improved timeliness or promptness of medical care
- **Increased patient safety and quality of care** by aligning hospital infrastructure with international regulatory and accreditation standards.
- Improved responsiveness of healthcare
- Improved Connectivity of healthcare system
- Improved Public Health

Projects with significant risks, controversies or anticipated negative impacts that lack mitigation measures will be excluded from the Eligibility Criteria.

Proceeds will not be allocated or linked to nuclear energy generation, fossil-based energy generation, potentially environmentally negative resource extraction (such as rare-earth elements or fossil fuels), research and/or development within weapons and defense, gambling or tobacco.

b. Process for Project Evaluation and Selection

GHG has established a **Social Bond Committee** to oversee the process of defining the Eligible Social Expenditures Portfolio and selecting Eligible Social Projects related to all Social bonds issued under this framework. The committee consists of Head of Corporate Reporting and Analysis, Director of Hospitals Development and Project Management Department (Quality and Accreditations) and E&S expert .

. The Social Bonds Committee will convene **at least annually**.

Main Responsibilities of the Social Bonds Committee:

- Defining the Eligible Social Expenditures Portfolio for the respective financial year.
- Evaluating and selecting Eligible Social Projects based on the Eligibility Criteria set out in this framework, while excluding projects that no longer comply.
- Reviewing and updating the Framework to reflect changes in corporate strategy, technology, market conditions, regulatory developments, and applicable laws.
- Initiating the external review process, including obtaining Second Party Opinions (SPOs) and other relevant documentation from external consultants.
- Overseeing, approving, and publishing allocation and impact reports, incorporating external assurance if necessary.
- Monitoring and identifying any material environmental or social risks associated with the Eligible Social Project Portfolio.



c. Management of Proceeds

An amount equal to the net proceeds of the Social Bond issued under this Framework will be managed and overseen by the Finance team of GHG.

Net proceeds from the issuance of Social Bonds can be used to finance or refinance new or existing projects and expenditures in accordance with the eligibility criteria outlined above. The Finance team will ensure that the portfolio of Eligible Projects exceeds, or at least is equal to, the net amount of Social Bond proceeds raised under this Framework.

GHG plans to temporarily hold any unallocated proceeds in cash and cash equivalents. For the avoidance of doubt, unallocated proceeds will not finance GHG-intensive activities or any other activity inconsistent with this Framework.

GHG intends to allocate the net proceeds of each tranche within 36 months from its respective date of issuance. So long as the Social Bond is outstanding, the balance of the tracked net proceeds should be periodically adjusted to match allocations to eligible Social Projects made during that period.

Allocation Reporting

Within one year of bond issuance and annually thereafter until the full allocation of the bond proceeds, GHG will publish **Allocation Reports**. These reports will continue to be released annually until the net proceeds are fully earmarked for Eligible Social Projects and, thereafter, in case of any material changes to the list of such projects. The reports will be publicly available at ghg.com.ge. With the aim of providing disclosure on the allocation of net proceeds, the Allocation Reports will include:

- the size of the identified Eligible Social Portfolio, per eligible category
- the total amount of proceeds allocated to the Eligible Social Projects, along with their brief description
- the balance of unallocated proceeds
- the amount or the percentage of new financing and refinancing
- the total amount of social bonds issued

Impact Reporting

GHG will report on the **impact of the Eligible Social Bond Portfolio** to ensure transparency and accountability, annually (until full allocation). The **Impact Report** may include:

- A description of relevant Eligible Social Projects financed under the framework.
- Social output and impact indicators at the eligible category level, and if necessary, at the sub-category level to provide more detailed insights.

GHG is committed to maintaining best practices in impact measurement and disclosure, ensuring stakeholders have clear visibility into the social benefits generated by funded projects.

As GHG can finance both small and large Eligible Projects, the output and impact reporting may, to some extent, be **aggregated**. The output and impact assessment will, if applicable, be based on the Key Performance Indicators (KPIs) presented in the table below:

Eligible Category	Potential Output Indicators	Potential Impact Indicators
Access to essential healthcare service	<ul style="list-style-type: none"> • Number of Patients Benefiting From Healthcare Or Medical Treatment • Bed Occupancy • Number of individuals provided with Universal Healthcare Program • Number of children benefiting from pediatric care • Live births in hospitals Number of people vaccinated Number of tests performed Number of beneficiaries receiving access to e-health services • Share of Female Employees 	<ul style="list-style-type: none"> • Improved healthcare accessibility • Reduced Mortality and increase in life expectancy Improvement in quality of life • Improved responsiveness of healthcare system • Improved connectivity of healthcare system Improved timeliness or promptness of care Improved Public health

If multiple bond issuances are carried out under this framework and the funds raised from each issuance serve different/separate projects or purposes, an impact report should be published separately for each issuance at the time of full allocation of the raised funds.

External Review

- **Second Party Opinion (pre-issuance)** To secure alignment with the Social Bond Principles and market practice, GHG has engaged [Scope Ratings] to act as an external reviewer of this Social Bond Framework and to provide a Second Party Opinion which will be made publicly available on GHG's website.
- GHG may engage an external independent auditor or another third party to **annually** verify that the **allocation of net proceeds** from the Social Bonds is carried out in accordance with GHG's Social Bond Framework. Once the total allocation of proceeds is completed, GHG may also appoint an external independent auditor to review the **final impact report**.

