



**GEORGIA
HEALTHCARE
GROUP**

4th Quarter and full year of 2025 Results

An extract from the parent company's, Georgia Capital PLC, results file. For the full version of the results release, please refer to the following link: [Georgia Capital PLC | 4Q25 and FY25 results](#)

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FORWARD LOOKING STATEMENTS

This announcement contains forward-looking statements, including, but not limited to, statements concerning expectations, projections, objectives, targets, goals, strategies, future events, future revenues or performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, competitive strengths and weaknesses, plans or goals relating to financial position and future operations and development. Although Georgia Capital PLC believes that the expectations and opinions reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations and opinions will prove to have been correct. By their nature, these forward-looking statements are subject to a number of known and unknown risks, uncertainties and contingencies, and actual results and events could differ materially from those currently being anticipated as reflected in such statements. Important factors that could cause actual results to differ materially from those expressed or implied in forward-looking statements, certain of which are beyond our control, include, among other things: regional instability; impact of COVID-19; regulatory risk across a wide range of industries; investment risk; liquidity risk; portfolio company strategic and execution risks; currency fluctuations, including depreciation of the Georgian Lari, and macroeconomic risk; and other key factors that could adversely affect our business and financial performance, which are contained elsewhere in this document and in our past and future filings and reports and also the 'Principal Risks and Uncertainties' included in the 1H22 Result Announcement and in Georgia Capital PLC's Annual Report and Accounts 2021. No part of this document constitutes, or shall be taken to constitute, an invitation or inducement to invest in Georgia Capital PLC or any other entity and must not be relied upon in any way in connection with any investment decision. Georgia Capital PLC and other entities undertake no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required. Nothing in this document should be construed as a profit forecast.

GHG overview

JSC Georgia Healthcare Group (“GHG” or “the Group”) is the largest and the only fully integrated healthcare provider in the fast-growing, predominantly privately-owned Georgian healthcare ecosystem, comprising two business lines: Hospitals business and Clinics & Diagnostics Business.

Georgia Healthcare Group PLC was listed on the premium segment of the London Stock Exchange (“LSE”) in November 2015. Following the largest shareholder’s, Georgia Capital’s (GCAP), final share exchange offer becoming unconditional in all respects, Georgia Healthcare Group PLC’s listing on the premium segment of the London Stock Exchange’s main market was cancelled in August 2020 (further details of the transaction are available at: <https://georgiacapital.ge/ir/offer-ghg>).

GCAP, the 100% ultimate owner of GHG as of August 2022, continues to be listed on the premium segment of LSE (LN:CGEO).

Below is presented the Group’s and its businesses fourth quarter and full year of 2025 consolidated financial results. Unless otherwise mentioned, comparatives are for the fourth quarter and full year of 2024. The results are based on International Financial Reporting Standards (“IFRS”) as adopted in the European Union (“EU”), are unaudited and extracted from management accounts.

Discussion of healthcare services business results¹

The healthcare services business, where GCAP owns 100% equity, is the largest healthcare market participant in Georgia comprising two segments: 1) hospitals (7 large and specialty hospitals – providing secondary and tertiary level healthcare services across Georgia and 30 regional and community hospitals – providing outpatient and basic inpatient services), and 2) clinics and diagnostics (16 polyclinics – providing outpatient diagnostic and treatment services and diagnostics – operating the largest laboratory in the entire Caucasus region “Mega Lab”).

4Q25 and FY25 performance (GEL '000), healthcare services²

(audited)

INCOME STATEMENT HIGHLIGHTS	4Q25	4Q24	Change	FY25	FY24	Change
Revenue, net³	126,084	109,499	15.1%	473,486	400,773	18.1%
Gross Profit	49,924	43,734	14.2%	187,518	152,692	22.8%
<i>Gross profit margin</i>	38.8%	39.3%	-0.5 ppts	39.1%	37.6%	1.5 ppts
Operating expenses (excl. IFRS 16)	(24,595)	(22,233)	10.6%	(94,038)	(83,502)	12.6%
EBITDA (excl. IFRS 16)	25,329	21,501	17.8%	93,480	69,190	35.1%
<i>EBITDA margin (excl. IFRS 16)</i>	19.7%	19.3%	0.4 ppts	19.5%	17.0%	2.5 ppts
Net loss/(profit) (excl. IFRS 16)	(401)	458	NMF	(4,289)	(10,693)	-59.9%
CASH FLOW HIGHLIGHTS						
Cash flow from operating activities (excl. IFRS 16)	36,932	31,816	16.1%	79,892	66,060	20.9%
<i>EBITDA to cash conversion (excl. IFRS 16)</i>	145.8%	148.0%	-2.2 ppts	85.5%	95.5%	-10.0 ppts
Cash flow used in investing activities⁴	(37,751)	(21,448)	76.0%	(81,632)	(32,949)	NMF
Free cash flow (excl. IFRS 16)⁵	(737)	14,799	NMF	(2,932)	33,032	NMF
Cash flow from/(used in) financing activities (excl. IFRS 16)	20,327	(5,290)	NMF	22,607	(27,933)	NMF
BALANCE SHEET HIGHLIGHTS	31-Dec-25	30-Sep-25	Change	31-Dec-24	Change	
Total assets	950,088	884,168	7.5%	828,101	14.7%	
<i>of which, cash balance and bank deposits</i>	59,081	39,772	48.5%	39,102	51.1%	
<i>of which, securities and loans issued</i>	650	539	20.6%	736	-11.7%	
Total liabilities	564,781	500,085	12.9%	441,552	27.9%	
<i>of which, borrowings</i>	402,029	381,337	5.4%	341,367	17.8%	
Total equity	385,307	384,083	0.3%	386,549	-0.3%	

INCOME STATEMENT HIGHLIGHTS

- The hospitals and clinics and diagnostics businesses represent approximately 80% and 20%, respectively, of the consolidated revenue of the healthcare services business.

Total revenue breakdown ⁶ (audited)	4Q25	4Q24	Change	FY25	FY24	Change
Total revenue, net	126,084	109,499	15.1%	473,486	400,773	18.1%
<i>of which, large and specialty hospitals</i>	67,944	61,965	9.6%	259,333	226,648	14.4%
<i>of which, regional and community hospitals</i>	34,877	28,474	22.5%	129,796	106,962	21.3%
<i>of which, clinics</i>	19,535	16,496	18.4%	72,857	59,762	21.9%
<i>of which, diagnostics</i>	7,409	6,319	17.2%	27,790	22,181	25.3%

- The 15.1% y-o-y increase in total revenue in 4Q25 (up 18.1% y-o-y in FY25) reflects:
 - Increased demand for outpatient services at our large and specialty hospitals, accounting for 36.7% of the revenue from this group of hospitals, a 0.9 ppts y-o-y increase in 4Q25 (up 2.0 ppts y-o-y to 36.5% in FY25). This performance was further strengthened by the onboarding of reputable doctors with loyal patient bases during 2025.
 - Strong revenue growth at our regional and community hospitals, underpinned by a favourable shift in the sales mix and enhanced operational efficiencies, resulting in 7.3 ppts y-o-y increase in occupancy rates to

¹ Numbers reflect the revised presentation format of the healthcare services business, implemented in 1Q25.

² The detailed IFRS financial statements are included in supplementary excel file, available at <https://georgiacapital.ge/ir/financial-results>.

³ Net revenue – Gross revenue less corrections and rebates. Margins are calculated from gross revenue.

⁴ Of which - capex of GEL 10.5 million and 58.1 million in 4Q25 and FY25, respectively (GEL 17.4 million and 62.3 million in 4Q24 and FY24, respectively); proceeds from the sale of property of GEL 2.6 million in FY25 (GEL 30.5 million in FY24).

⁵ Operating cash flows less capex, plus net proceeds from the sale of assets.

⁶ Total figures take into account inter-business and inter-segment eliminations and therefore do not equal the sum of the presented components.

65.3% in 4Q25 (up 8.1 ppts y-o-y to 66.3% in FY25). This performance was further supported by the acquisition of Gormed LLC in 4Q25, with its results consolidated from December 2025.

- Solid performance across the clinics and diagnostics business, with clinic revenues benefitting from a favourable shift in sales mix and increased customer footprint driven by the overall service enhancements, while diagnostics revenue increased on the back of growth in both B2B and retail segments.
- Gross profit margin in 4Q25 remained broadly stable (down 0.5 ppts y-o-y), while improving by 1.5 ppts y-o-y in FY25. In addition to the revenue developments outlined above, margin performance reflects the following trends in direct salary and materials rates⁷ and utility costs:
 - The direct salary rate increased by 0.2 ppts y-o-y to 38.8% in 4Q25, driven by market-aligned salary adjustments and higher statutory minimum wage requirements for nurses and other medical personnel. For FY25, the direct salary rate improved by 0.7 ppts y-o-y to 38.7%, supported by strong revenue growth.
 - The materials rate increased by 0.3 ppts y-o-y to 15.1% in 4Q25, mainly due to a one-off write-off of expired medical inventories, while improving by 0.3 ppts y-o-y to 15.5% for FY25.
 - Utilities and other expenses increased by 12.9% y-o-y in 4Q25 (up 8.4% y-o-y in FY25), mainly reflecting higher facility maintenance and utility costs following the completion of renovation works in certain departments and the overall expansion of the business.
- Operating expenses (excl. IFRS 16) were up by 10.6% and 12.6% y-o-y in 4Q25 and FY25, respectively, primarily driven by increased General and Administrative expenses in line with the business expansion.
- The developments described above translated into a 17.8% and 35.1% y-o-y increase in EBITDA (excl. IFRS 16) in 4Q25 and FY25, respectively.

Total EBITDA (excl. IFRS 16) breakdown⁸ (audited)	4Q25	4Q24	Change	FY25	FY24	Change
Total EBITDA	25,329	21,502	17.8%	93,480	69,190	35.1%
<i>of which, large and specialty hospitals</i>	14,261	12,674	12.5%	52,207	41,580	25.6%
<i>of which, regional and community hospitals</i>	5,316	4,709	12.9%	20,974	13,586	54.4%
<i>of which, clinics</i>	4,161	3,033	37.2%	15,018	10,979	36.8%
<i>of which, diagnostics</i>	1,589	1,233	28.9%	5,523	3,192	73.0%

- Net interest expense (excl. IFRS 16) increased by 21.1% and 29.0% y-o-y in 4Q25 and FY25, respectively, mainly due to a higher net debt balance, elevated market interest rates, and one-off costs associated with the recent bond issuance. Following the GEL 350 million social bond placement, the healthcare services business fully repaid its existing loans and refinanced them through the newly issued bonds. Excluding one-off effects from the bond issuance, net interest expense (excl. IFRS 16) increased by 25.5% y-o-y in FY25.

CASH FLOW AND BALANCE SHEET HIGHLIGHTS

In September 2025, Healthcare Services business successfully priced a GEL 350 million secured social bond offering on the Georgian market – marking the largest GEL-denominated corporate placement in the country to date. The bonds have a 5-year bullet maturity and carry a floating coupon rate indexed to the Tbilisi Interbank Interest Rate (Non-Cumulative Compounded Daily TIBR) plus 375 basis points. The proceeds were primarily used to refinance existing long-term loans, with a portion allocated to future capital expenditures in line with the Social Bond Framework.

- Capex investment was GEL 10.5 million in 4Q25 (GEL 58.1 million in FY25), comprising: a) development capex of GEL 5.8 million in 4Q25 (GEL 30.1 million in FY25) to expand service offerings and upgrade medical equipment and b) the maintenance capex of GEL 4.7 million in 4Q25 (GEL 28.0 million in FY25).
- The EBITDA to cash conversion ratio decreased by 2.2 ppts y-o-y to 145.8% in 4Q25 (down by 10.0 ppts y-o-y to 85.5% in FY25), reflecting a high base effect from the receipt of previously delayed receivables from the State in 2024, alongside strong EBITDA growth during 2025.
- The net debt to EBITDA (excl. IFRS 16) leverage ratio improved to 3.7x as at 31-Dec-25, down from 3.8x as at 30-Sep-25 and down from 4.3x as at 31-Dec-24.

⁷ The respective costs divided by gross revenues.

⁸ Total figures take into account inter-business and inter-segment eliminations and therefore do not equal the sum of the presented components.

OTHER VALUATION DRIVERS AND OPERATING HIGHLIGHTS

- The business key operating performance highlights for 4Q25 and FY25 are noted below:

<i>Key metrics (audited)</i>	4Q25	4Q24	Change	FY25	FY24	Change
Hospitals						
Number of admissions (thousands):	444.5	388.2	14.5%	1,705.6	1,568.4	8.7%
<i>of which, large and specialty hospitals</i>	200.5	192.4	4.2%	766.0	729.0	5.1%
<i>of which, regional and community hospitals</i>	244.0	195.8	24.6%	939.6	839.4	11.9%
Occupancy rates:						
<i>of which, large and specialty hospitals</i>	76.4%	68.3%	8.1 ppts	75.1%	66.5%	8.6 ppts
<i>of which, regional and community hospitals</i>	65.3%	58.0%	7.3 ppts	66.3%	58.1%	8.1 ppts
Clinics						
Number of admissions (thousands):	532	472	12.7%	1,943	1,763	10.2%
Diagnostics						
Number of patients served (thousands)	224	215	4.2%	872	808	7.9%
Average number of tests per patient	3.2	3.0	6.7%	3.1	3.0	33%

- In October 2025, our healthcare services business agreed to acquire Gormed LLC, a regional network of three hospitals and clinics in central Georgia. The acquisition will expand our healthcare services business footprint into Gori and surrounding areas and add approximately 80,000 new capitation patients to our Regional and Community hospitals. The integration is expected to generate significant efficiency gains in the following year through centralised procurement, consolidation of overlapping facilities and service expansion. In FY25, Gormed generated GEL 4.3 million EBITDA.